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NEWS SUMMARY

GENERAL

Firing squad executes Gilmore

After a night of legal attempts to stop the execution, murderer Gary Gilmore was shot dead by a firing squad in Utah yesterday. He was the first person to be executed in the U.S. for almost 10 years.

Gilmore, who had been convicted of killing one man and charged in connection with the death of another, had consistently asked to be allowed to die.

Finally, he got his wish 18 minutes after sunrise—the hour originally set for his execution.

Meanwhile, as about 350 men await reviews of their death sentences in the U.S., another man is due to be electrocuted to-morrow in Texas.

Cases of all those under sentences of death are being reconsidered in the light of last year's U.S. Supreme Court ruling in favour of the death penalty in some circumstances. Page 6

Callaghan cracks Commons whip

Mr. James Callaghan, Prime Minister, has decided to tighten up voting discipline in the Commons by insisting that Parliamentary Private Secretaries must expect dismissal if they vote against the Government. Last week six PPS—unpaid personal aides to Ministers—were among 77 Labour MPs who voted for a critical resolution complaining about excessive defence expenditure. Other Parliamentary news Page 12
Back Page

Rees may order killings probe

Prison and police reports on last week's Derbyshire murders may be followed by a public inquiry into the case in which an escaped prisoner, after escaping from a taxi in which he was being escorted to court, stabbed four people to death before being shot dead by police, Mr. Merlyn Rees, Home Secretary, told the Commons. Yesterday a prisoner, slipping free of handcuffs escaped from his escort as their taxi arrived at a London court.

Avon buried

Lord Avon was buried yesterday afternoon beside a beech tree in the churchyard of St. Mary's a 13th century parish church near his Alvediston, Wilts, home after a 20-minute private funeral service attended by about 30 members of his family and close friends.
Commons tributes, Page 12

Drugs swoop

Ten people, including a woman, have been detained by Scotland Yard's drug squad. Last night, the squad carried out further raids, the Yard said it had seized drugs worth £250,000.

Slater hearing

The Singapore Government has produced no evidence of dishonesty, fraud or deceit against Mr. Jim Slater, the financier whom it wants to extradite, counsel opening the case for the defence told a London magistrates court. Page 2

Vulcan crashes

A RAF Vulcan bomber crashed in Lincolnshire yesterday. It was not carrying nuclear material. The crew of five parachuted to safety. Wreckage covered a wide area of open country.

Briefly . . .

Spain's Interior Minister, Sr. Martin Villa, is to meet five Basque mayors to-day in an effort to reduce tension in the region. Page 5

At least 20 U.S. sailors and marines died after a U.S. Navy launch collided with a freighter off Barcelona, Spain.

President Tito of Yugoslavia is due to leave Belgrade to-day for visits to Libya and Egypt.

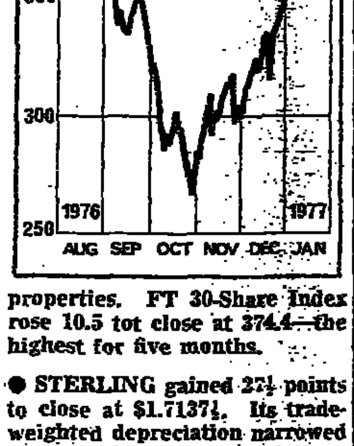
India has proclaimed an exclusive economic zone of 200-miles outside territorial waters.

BUSINESS

New rise in gilts; equities up 10.5

● GILTS surged ahead again, encouraged by the improved trade figures and hopes for a further cut in Minimum Lending Rate. Short-dated stocks gained up to $1\frac{1}{16}$ and longs up to $1\frac{1}{4}$. FT Government Securities Index rose 0.45 to 63.61.

● EQUITIES followed gilts higher, with some good gains in



properties. FT 30-Share Index rose 10.5 tot close at 374.4—the highest for five months.

● STERLING gained $27\frac{1}{2}$ points to close at $1.7137\frac{1}{2}$. Its trade-weighted depreciation narrowed to 43 ($43\frac{1}{4}$) per cent.; dollar's widened to 1.18 (1.15) per cent. Italian lira slips, Page 5

● GOLD rose 75 cents to $132.375.

● WALL STREET was down 7.15 at 965.01 near the close.

● PRESIDENT FORD sent Congress his last Budget, which calls for a modest 7 per cent. increase in federal spending and for cuts in social programmes. Back Page. Carter likely to ignore some Ford proposals, Page 6.

● BANKS in Lebanon opened for business for the first time in ten months, with soldiers and police on guard in the commercial area, but there was no rush to withdraw funds. Page 7

Leyland plan threatened

● LEYLAND'S scheme to boost production in return for a package of employee benefits has been rejected by workers at the Triumph plant at Speke, Liverpool. Leyland said that unless the plan was accepted by all 36 factories, it would be dropped. Back Page. Feature, Page 12

● SIR ARNOLD WEINSTOCK, GEC managing director, has joined negotiations aimed at saving the Meriden motor-cycle co-operative. Back Page

● WEST GERMAN company Sulzer Bros. is to close its Sheffield factory and Bury foundry with the los of 630 jobs. Page 11

● ASHLAND OIL and Louisiana Land and Exploration are acquirin ga bigget stake in the Brae field and associated concessions in the North Sea in an £8.7m. deal iwth Bow Valley. Page 11

● MINERS' leaders in Scotland and Yorkshire rejected the industry's early retirement proposals. But moderate Nottinghamshire delegates supported the proposals—a decision likely to reflect the majority view in the union. Page 12

● BRITISH TRANSPORT Docks Board has paid back £6.4m. of its long-term debt a year early, after achieving record profitability last year. Page 11

● BREAD deliverymen who have been boycotting cut-price shops have set 18p as the new minimum price they approve for a standard loaf. Page 12

COMPANIES

● REO STAKIS recovered in the second half to produce pre-tax profit of £1.25m. (£1.08m.) for the year. Page 16

● ANZ GROUP Holdings marked its first annual meeting in Australia with a $A32.5m. rights issue to shareholders. Page 21

CHIEF PRICE CHANGES YESTERDAY

RISES

Treas. 11½pc 1981	£96¾	+ 1⅛
Treas. 15½pc 1998	£109	+ 1¼
...H	172	+ 10
...minium Cpn.	100	+ 53
...Ts Inds.	272	+ 9
...C	95	+ 4
Barclays Bank	280	+ 10
Beecham	388	+ 8
Berkeley Hambro	70	+ 8
...tle's (Hldgs.)	34	+ 14
...woods	39	+ 5
...met Radiovision	57	+ 5
...mmon Bros.	191	+ 12
...son (David)	32	+ 6
...ona	31	+ 3
English Property	41	+ 5
Federated Land Bldg.	17	+ 4
...teway Secs. "A"	56	+ 11
Portland Estates	222	+ 12
GKN	290	+ 6
ICI	357	+ 10
Land Secs.	155	+ 7
Lonrho	80	+ 7
Lucas Inds.	223	+ 13
Newman Inds.	42	+ 4
Restmor	68	+ 6
Royal Ins.	310	+ 14
Storey Bros.	66	+ 5
Smiley (B.)	110	+ 10
Tate and Lyle	272	+ 10
Tube Invs.	328	+ 12
Walker (C. and W.)	118	+ 8
Woodhouse & Rixson	42	+ 4½
BP	814	+ 24
Burmah	52	+ 4
Shell Transport	478	+ 8
Geevor	xd 325	+ 21½
Messina	156	+ 8
Rand Selection	445	+ 25
St. Piran	88	+ 6

Invisibles boost U.K. surplus to £21m.

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

BRITAIN HAD a current account surplus of £21m. last month, the best figure since last March. The total deficit for 1976 as a whole was £1.53bn.

This is much lower than had been expected until recently and compares with a deficit of £1.66bn. in 1975 and the record £3.3bn. of the previous year.

BEE......

The current account surplus last month, after £200m. from invisibles, was the result of a drop of £330m. in the visible trade deficit to £179m. This in turn reflected both a sharp fall in imports and a rise in exports, only partly explained by various special factors and the strength of the pound last month: the underlying trend in export volume now seems to be rising at last.

Little impact

The announcement of the trade figures had litle impact on sterling which traded in a very narrow range all day, closing $27\frac{1}{4}$ points up at $1.7137\frac{1}{2}$, only fractionally below the best.

Dealers reported clear signs that the Bank of England was boosting the reserves, as it appears to have done last week, by buying dollars and selling sterling by meeting all demand for pounds at a fairly steady spot rate.

The trade weighted depreciation since December 1971, narrowed fractionally during the day to 43 per cent. from 43.1 per cent.

The fall in the pound between last spring and autumn, however, has shown up in a rise in export prices of 21 per cent. and an increase in import prices of 23 per cent. in 1976, compared with the previous year. This resulted in a 1 per cent. drop during the year in the terms of trade index—the ratio of export prices to import prices—a smaller decline than after previous depreciations as exporters have held up prices in terms of foreign currency.

The total value of exports increased by 30 per cent. to £24.4bn. on a volume gain of 8.5 per cent. while imports rose by 28 per cent. to £28bn. on a 7 per cent. volume advance.

However, since imports were rising from a higher original base than exports the visible trade deficit widened during the year by £407m. to £3.6bn.

Consequently the improvement in the current account solely reflects a big jump in the invisibles contribution from £1.55bn. to £2.1bn. This is partly because of the impact of the fall in sterling on overseas earnings from insurance, shipping, and other services. The big inflow of foreign tourists has also been an important influence here.

On the visible account, the fall in the pound explained part of the deteriorating trend between the first and second halves of last year with the December figures about the first encouraging indicator since the spring.

BALANCE OF PAYMENTS
Seasonally adjusted £m.

		Visibles	Invisibles	Current account
1975	1st	−852	+403	−449
	2nd	−681	+324	−357
	3rd	−989	+434	−555
	4th	−682	+387	−295
1976	1st	−448	+445	−3
	2nd	−968	+471	−497
	3rd	−1,166	+569	−597
	4th	−1,029	+600	−429
July		−515	+190	−325
August		−284	+189	−95
Sept.		−367	+190	−177
October		−341	+200*	−141
Nov.		−509	+200*	−309
Dec.		−179	+200*	+21

* Projections

The underlying improvement may not be as large as the overall figures suggest. It is officially pointed out, for example, that about £75m. of the turnaround can be explained by a return to a more usual size of oil deficit from the high November level, which may in turn have been affected by stocking-up ahead of the OPEC meeting.

Another £85m. of the improvement can be accounted for by erratic movements in the export of ships. But when all this is offset by the import of an oil installation and diamond trading, special factors only account for about a third of the overall drop in the deficit. The rise in the pound during the month, reflected in a rise of 1 per cent. in the terms of trade, may explain between another £35m. to £40m.

During the month, export volume rose by 4.5 per cent. with imports falling by 7.5 per cent., and even on a longer-term comparison export volume has been rising faster than imports. In the fourth quarter, exports were 5 per cent. up on the third quarter level with imports 1 per cent. higher.

Restrained

The enthusiasm in Whitehall is still somewhat restrained by the fact that comparison is with a very poor period for exports in the summer.

Moreover, exports of finished manufactured goods have not been rising as rapidly as had been hoped with the rise of 1.5 per cent. in volume since the spring against 2 per cent. for exports as a whole. Finished manufactured products are an important part of the total and are regarded as a key element in

Continued on Back Page
Editorial comment, Page 11

Smith hangs 8 Muzorewa followers

BY RICHARD HOLMAN — SALISBURY, Jan. 17.

IN AN ACT which will threaten the proposed reconvening of the Geneva Conference and certainly harden African Nationalist attitudes, Mr. Ian Smith, the Rhodesian Prime Minister, ignored pleas for clemency and authorised the hanging at dawn to-day of eight young members of the African National Council, which is led by Bishop Abel Muzorewa.

The executions are likely to undermine seriously any remaining belief among the officials of the most moderate and most popular of the Nationalist parties that Mr. Smith was willing to negotiate a transition to majority rule.

Although Bishop Muzorewa has already ruled out negotiations with the Rhodesian Government outside the framework of the Geneva Conference, to-day's hangings will have hardened that stand.

Mr. Smith is presumably aware of this, and the hangings may be the final confirmation that he has given up hopes of accord with any of the Nationalist leaders.

His political strategy now seems based on an alliance with "moderate" African groups, in particular the Zimbabwe United People's Organisation led by two tribal chiefs, who recently resigned from Mr. Smith's Cabinet to form the new party. However, there is no evidence of any support for ZUPO.

Condemnation

Condemning the executions, Bishop Muzorewa said to-night: "Practically everything the Rhodesian Front Government has done since September 24 contradicts or undermines Smith's alleged acceptance of the principle of majority rule. To-day's case is another strong indication to confirm our serious doubts about his sincerity."

The men, aged between 20 and 30, were found guilty of grenade attacks on a restaurant and night club in Salisbury, an explosion in an African township beer hall and sabotage attempts on three railway lines.

No one was killed in the incidents, which took place in June and July last year. A young white was seriously injured. Damage was slight.

The eight men were hanged at Salisbury Central Prison.

One of the executed men Mr. Elias Madovi, was an ANC branch chairman.

Relatives of the condemned men petitioned the Rhodesian President, Mr. John Wrathall, last week for clemency, saying that while they realised the seriousness of the crimes, "as wives and mothers we cry for mercy."

No warning

The relatives were not given advance notice of the executions, and when wives and mothers arrived at the prison this morning for their regular weekly visit, they were told that the men had been hanged.

In early December the men's appeals were dismissed by Mr. Justice Macdonald, Acting Chief Justice. He said that "in dealing with urban sabotage and terrorism the paramount consideration must be the protection of the public. Persons who are tempted to commit crimes of this kind must be left in no doubt that if they do, they risk being sentenced to death."

A few days later Bishop Muzorewa and senior ANC officials approached Mr. Charles Waddington, Solicitor-General, who was also attending the Geneva settlement talks.

The Bishop disclosed that after his approach to Mr. Waddington in Geneva he sent a personal plea which he understood was considered by the Executive Council. On Wednesday last week he learnt the plea was rejected.

● In London the Foreign Office noted that Britain had repeatedly condemned executions by the Rhodesian Government and has said that further hangings would be "tragic, illegal and will a pro-

Richard shuttle continues

BY OUR FOREIGN STAFF

MR. IVOR RICHARDS, chairman of the Geneva Conference is due to set out shortly on the second round of his southern African shuttle armed for the first time with a concrete set of British proposal fsor Rhodesia's transitional Government.

Announcing this on BBC's Panorama last night Mr. Anthony Crosland, the Foreign Secretary, said he doubted whether the Rhodesia Conference would reconvene swiftly.

It might be better to move the conference from Geneva to Africa.

Mr. Crosland said the Government's "rather definite and rather positive" proposals would involve a British presence in Rhodesia's interim administration, playing what he hoped would "a key role in the spheres of law and order and defence." He was "not unhopeful" about the outcome of the shuttle.

Namibia talks, Page 7

Silkin to defend post boycott decision to-day

BY PHILIP RAWSTORNE

MR. SAM SILKIN, the Attorney-General, is to defend in the Appeal Court to-day his decision to refuse consent to legal action to stop the ban on postal services to South Africa.

In a move that would spak a major political and constitutional row, Mr. Silkin is expected to contest vigorously the Court's right to challenge his decision.

Last Saturday, three Appeal Court judges, criticised the Attorney-General's inaction and granted a temporary injunction against the boycott by two Post Office unions to Mr. John Gouriet, a member of the right-wing National Association for Freedom.

No other Government Ministers were involved though the Attorney-General is believed to have informed Mr. James Callaghan, the Premier, and Lord Elwyn Jones, the Lord Chancellor, of his intentions at a Downing Street meeting called yesterday to consider other Government business.

Mr. Silkin intends to make a statement to the Commons after the court proceedings. But if the appeal judges extend the injunction against the postal unions, the case will almost certainly be taken to the House of Lords.

Labour lawyers and back bench MPs consider that Mr. Silkin must mount the strongest possible defence of his constitutional position as Attorney General in relation to the courts.

The Attorney General, they believe, is answerable only to Parliament for the exercise of his discretion in enforcing the law in the public interest.

The Appeal Court's action and the judges' criticisms of Mr. Silkin have aroused considerable anger among Labour MPs, who were last night drawing up a Commons motion attacking the "right wing political bias" of the judiciary.

One Labour lawyer said that the Court's action had effectively squashed any idea of a Bill of Rights. "No Labour MP would vote for a Bill of Rights that would be interpreted in the courts by some of our judges," he said.

There was strong support, however, from the Conservatives for the Court's intervention. And, with the Government involved in its third conflict with the courts in recent months, Conservative leaders were being pressed by back benchers to launch a full-scale political attack against the Government on the rule of law.

Sir Michael Havers, the Shadow Attorney General will attend to-day's court hearing and report later to the Shadow Cabinet. Conservative MPs clearly expect a decision to table a Commons censure motion on Mr. Silkin.

Our Labour staff writes: Leaders of the Union of Post Office Workers, which will be represented at to-day's hearing, are being summoned to London to-morrow.

But a decision about whether to reimpose the action, if things go their way to-day, or to appeal to the House of Lords if they do not, may not be taken before Thursday.

By then, the week of action called by the International Confederation of Free Trade Unions against apartheid will be more than half over.

Yesterday the UPW branch in Newcastle-under-Tyne, Staffs, joined others who have condemned the UPW's decision to order a boycott of post and telephone calls to South Africa without consulting members.

The UPW claimed that post and telecommunications unions in most Western European countries including Sweden, Denmark, Norway and France, were going ahead with boycotts in response to the call from the Postal Telegraph and Telephone International.

Threats of action at Heathrow Airport, London, appeared to be evaporating. A South African Airways jet from Johannesburg was serviced normally yesterday morning, and British Airways, which provides the baggage loaders and other staff, said it did not expect trouble.

Callaghan steps in

By John Wyles, Shipping Correspondent

THE PRIME MINISTER is expected to underline his new involvement in industrial policy shortly by meeting the General Council of British Shipping to stress the need for more orders for British shipyards.

Mr. Callaghan has let it be known recently that he is concerned about the shipbuilding problem, which threatens to produce several thousand redundancies this year, most of them in Labour-held constituencies.

It was originally intended that Mr. Eric Varley, the Industry Secretary, and Mr. Edmund Dell, the Trade Secretary, would meet the shipowners' representatives to maintain the Government's pressure to buy British. Both Ministers may attend the talks, but Mr. Callaghan's personal intervention will add greatly to their importance.

Last year the Prime Minister was influential in securing orders for British shipyards from Kuwait and Poland.

Sorensen withdraws nomination

BY DAVID BELL — WASHINGTON, Jan. 17.

MR. THEODORE SORENSEN, who had been chosen by Mr. Jimmy Carter to head the CIA, took Washington by surprise this morning when he told a Senate Committee that he had asked the President-elect to withdraw his nomination.

The former adviser to the late President Kennedy made his announcement after a vigorous defence of his record before the Senate Intelligence Committee, some of whose members have been voicing doubts about his inexperience and general fitness for the post over the weekend.

Mr. Sorensen said that Mr. Carter had urged him not to withdraw, but he said: "I do not intend to be intimidated by those who wish to strike at me or through me at Governor Carter." The President-elect finally agreed to Mr. Sorensen's request this morning just before he appeared before the committee.

While Mr. Sorensen has thus avoided the possibility that Mr. Carter might have been seriously embarrassed by the rejection of a nominee so early in his administration, the whole affair is undoubtedly a big setback for the new President and is bound to be very controversial.

The opposition to Mr. Sorensen blew up suddenly over the weekend after Press reports suggested that he had leaked classified documents while working in the White House and had subsequently improperly claimed a tax deduction on them. Both charges, he said this morning, were totally false. So was the charge that he was, or ever had been, a pacifist.

He also said that the charge that he could not be impartial because his New York law firm had too close ties with a number of countries in which the CIA might be involved was absurd. Nor, he insisted, had he had anything to do with any plots to assassinate foreign leaders which might have been hatched during the Kennedy years.

A number of Senators were quick to see the hand of the intelligence community at work. Senator Birch Bayh accused sections of it of being determined not to let an outsider take over the CIA. "But this committee is going to have a clean broom," he said. Senator George McGovern said the scurrilous campaign against Mr. Sorensen had "not been equalled since Joe McCarthy."

Senator Daniel Inouye, the chairman, rejected this, noting that Mr. Sorensen had been given a "four star loyalty rating" by the FBI. He said that his reservation and those of others on the committee had nothing to do with reports in the Press or with pressure from the CIA or elsewhere. Senator Howard Baker, the new Republican leader in the Senate, said he was "genuinely sorry" about the circumstances surrounding Mr. Sorensen's decision but added that "he has done a brave and generous thing and avoided conflict that was sure to ensue."

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LOMBARD

First corset, now crinoline

BY ANTHONY HARRIS

THE SAD fate of the Ionian Bank, to be run down for lack of suitable suitors, only shows how far the Bank of England has reverted to its old, cautious outlook on banking as a result of its nasty experiences in recent years. After all, it is as recently as 1971 that we had Competition and Credit Control, aimed to restore competition among the banks and encourage innovation. The same banks are now struggling in the embrace of the corset—a device which aims to check the growth of the money supply by forbidding competition (since the allowed percentage growth of each bank is laid down in advance). And now Ionian.

The Bank's effective ruling that the Ionian could only be taken over by another authorised bank—for even a group headed by the former managing director of another authorised bank was turned down—is odder than seems generally to have been noticed. Effectively it was decided that if the Ionian was not ready to carry on under its existing ownership, then the number of authorised banks was going to be reduced by one. Failing a suitable suitor, the Bank of England has itself underwritten the winding-up operation—an unusual role for a central bank. The Bank has nothing against Ionian: it just doesn't seem to like newcomers any more.

Stuffiness

Personally I rather welcome this return to stuffiness. The would-be-trendy intentions of 1971 always did seem to me like asking a group of curates to start a disco: one might hear the appropriate noises, but the spirit would not be there. As a depositor, I am not altogether in favour of enterprise among bankers. I will not go quite so far as to echo Groucho Marx, and say that I would not like to have an account at any bank that would lend me money, but were I in property or commodities I might feel like that.

What I had not realised in 1971, however, was that the banks, and especially the clearing banks, would be so ethereally silly. It seems it was not so much the freedom that went to their heads as the change in the law which compelled them to disclose their true profits. That stimulated competition all right; and only the Bank of England's lifeboat operation has enabled the banks to avoid the next step, and publish the true losses which they incurred in their scramble for margins. It's not so much a lifeboat as a crinoline.

One of the features of the shameful orgy of 1972-73 was that it brought hitherto respectable bankers into contact with a lot of people who were not, as it were, one of us. (It isn't, as a matter of fact, funny at all that a banking system which was unwilling to help a sound enterprise like Britten-Norman through a liquidity crisis was ready to back property speculations by people with no business background up to 100 per cent. of valuation—but that is just why the later discomfiture of the banks is more than a little funny). It is this experience which seems to have led to the Bank's attitude in the Ionian affair, for there is now a new rule: don't associate with strangers.

Exclusive

Again, it may seem old-fashioned and out of tune with an age of meritocracy, but there is a lot to be said for it. The City's ability to make markets, judge credit-worthiness, place issues and above all to deal expeditiously has not been based on business efficiency as it is understood, say, by the computer people: it has been based on personal knowledge and trust. This has also been the basis in the past of effective, quiet and remarkably tight self-policing.

The Bank may well feel that by making the City an exclusive club again, it is making it possible for these old and comfortable virtues to reassert themselves, thus heading off both any interventionist intentions which may be lurking in the mind of Sir Harold Wilson, and also securing the City against foreign competition. The system as it used to be is so British that it is almost beyond the reach of emulation.

If this is indeed the underlying purpose of the Bank, it might well carry its reversion to the past a little further. It is clear that after certain well-publicised troubles, in-house banking by financial conglomerates will not be encouraged in future; but a good deal has already happened to create potential conflicts of interest which did not exist a decade ago.

Assertions of the good old principles of independent specialisms, of brokers who are not principals, even breaking up some existing groups would be a useful extension of the principle of marching resolutely into the past. The past had its points.

FILM AND VIDEO — BY JOHN CHITTOCK

New priorities for industrial films

THE USE of moving pictures as a social tool has been characterised by various, clearly discernible chapters—beginning in the 1900s with the crude recording of events and processes, refined to a powerful form of communication in the 1930s, recruited for war in the 1940s and for the era of economic and technical change in the '50s and '60s, and now at a new threshhold for the '70s and '80s.

When history is happening it is difficult to focus sharply on newly emerging pattrens. But there are certainly signs that the industrial film as we knew it—selling products, explaining the wonders of technology—is in danger of becoming an anachronism. The new priorities are, or ought to be, the social problems of industry—using the motion picture medium to bridge the gap between management and unions, politicians and industrialists, even different age groups and generations who now emerge as the contestants in a new type of class war.

It is easy to cling comfortably to the last straws of a magnificent period, as indeed the 1960s and early '70s were for the industrial film. British Petroleum's latest offerings are straight from that era—and that is intended as a compliment: *The Slender Chance* is a graphic exposition of what is involved in exploration drilling for oil—a clear and compelling film for everyman; *Proteins* is a creative marriage of the film-maker's art and the teacher's skill—the kind of educational film that Unilever used to make so well, but here heightened by more concessions to pictorial excitement.

Dying species

Yet films of this type are a dying species. To-day it is, sadly, the very functional and ordinary film that prevails; the excitement and fascination have gone. Television is filling some of the gap—as typified recently by London Weekend Television's enchanting Aquarius film *A Man of Time*. This is about a genuine watchmaker, George Daniels, a young but old-fashioned craftsman because he is motivated by the love of perfection, not money; it is the kind of film that a watch company might have sponsored 10 years ago—or even Shell, if their oil was used in the watches. Ironically, its writer/director was Theo Richmond—who in the past has been responsible for many industrial films.

Very rarely a sponsor to-day will try to break out of the predictable formula of contemporary banality. When this happens with a marketing film, it is an almost historic event. Praise is due to Myer for *Let's Sleep On It*—the story of the making of a sales film about Myers beds with no holds barred in poking fun at the sponsors themselves and the banal kind of film-making of which I have just complained. It is a landmark film, albeit an anachronism of a medium now in its creative death throes.

The Myer film was made by television people and directed by Christopher Ralling, the man who made one of my all-time TV favourites—*The Search for the Nile*. With the enterprising series by Professor Galbraith about industry, *The Age of Uncertainty*, now being screened on television, it seems that a real link between industry, film-makers and broadcasters could be forged.

Indeed, one new route for the industrial film is to use the styles and technologies of television, exemplified for me last week by a new British Leyland film aimed at university graduates for recruitment purposes. Titled *I Did That*, and made with the help of the Careers Research and Advisory Centre, this has the pure styles of television in showing how some graduates are finding life at British Leyland. With distribution on videocassettes—there are now 48 university appointments centres thus equipped—it is just another sign of a potential trend towards television.

But such examples still leave British industry decades away from a modern appreciation of television's important role. Only a handful of companies even begin to exploit the opportunities, which starts predictably with the transmission of films acceptable to the BBC or ITV. An untypical example of the possibilities here is contained in BP's distribution statistics for 1976—newsclips on BBC1 and 2 news, on other BBC 1 and 2 programmes, and on seven ITV channels; complete screenings of documentaries—*The Shadow of Progress* and *Children and Cars* on BBC and substantial sequences of *The Living Woodland* on Southern TV.

One reason why BP has been successful, is that the company has a full-time films/television officer and department. Yet it is doubtful if more than 20 of Britain's top 1,000 companies employ someone specifically for that purpose. In an era when industry and management believe their case is not being fully understood, and when the press release to newspapers and magazines is commonplace, it is extraordinary that television should be so neglected as an outlet for industrial information.

Archetypal

In preparation for a talk on this very subject, I have turned the clock back nearly 14 years to have another look at an archetypal example that showed the way—but was never followed. In March, 1963, BBC's Panorama showed a British Transport Film titled *Re-shaping British Railways*. It was made for Dr. Richard Beeching (who featured in it) and presented the hard truth and rationale behind the axe that was to follow. Never was a bitter pill so exquisitely sweetened and presented as being so absolutely vital. At the time, The Observer said of this exercise "Television has played its part in the new role. For it gives the chairmen the most powerful medium of all, by-passing Parliament completely."

The opportunities are still there, but little use has been made of them. As the Annan Inquiry into the Future of Broadcasting has been deliberating, British industry should have been queueing up at the door to present its own case for more exposure on television. But the broadcasters and the committees of inquiry are hardly going to volunteer much expansion for industry if it is not actively sought.

Such is the paradox of the industrial film as its closing chapters of history are being unfolded. Faced with the new medium of television, living awkwardly with it, absorbing some of its ideas and technologies, marking time but failing to seek succour from the huger promise it can offer.

Slater's Haw Par share deal 'honest transaction'

FINANCIAL TIMES REPORTER

DESPERATE attempts were being made by the Singapore Government to link financier Mr. Jim Slater with a major Far East share incentive scheme even though he had left its conduct in the hands of other executives, his counsel told the extradition hearing in London yesterday.

"But it is plain beyond all doubt that it was an honest transaction as far as he was concerned," Mr. John Mathew said in a review of the case.

"There was no dishonesty or deceit, and he had no need to engage in fraud of the kind alleged against him."

Mr. Mathew was challenging the efforts to extradite Mr. Slater and his associate, Mr. Richard Tarling, on fraud charges when the prosecution ended its case on the ninth day of the hearing, before the chief metropolitan magistrate, Mr. K. J. P. Barraclough.

Both men claimed that they never concealed from shareholders in the Haw Par business group material facts about Spydar Securities, a share incentive scheme set up in Hong Kong which is alleged to have netted £200,000 each out of profits totalling £1m. for various Slater Walker executives on share deals in 1972-73.

"Let us not forget that Haw Par made Hong Kong $70m. (approximately £5m. to £6m. at the then exchange rates) out of the share deals concerning this case and so did not come out badly," Mr. Mathew added.

It is expected that Mr. Mathew, and Mr. Andrew Bateson, QC, for Mr. Tarling, will address the magistrate this week on the legal merits of the case.

Then Mr. Ronald Waterhouse, QC, for the Singapore Government, will reply. A decision is unlikely to be made until the end of the week.

On warrant

Referring to the prosecution case, Mr. Mathew said: "You are being asked to infer that because the prosecution felt that the matter was not done in a straight-forward way then it must be dishonest. But the whole implementation of the scheme was left in the hands of professional advisors."

He claimed they included Mr. Patrick Goodbody, a former Haw Par director who is wanted on warrant with two other businessmen, Mr. Donald Ogilvy-Watson and Mr. Ian Tamblyn.

After submitting that Slater had not been a Haw director, Mr. Mathew said: "... cutive incentive schemes ... Spydar scheme have always ... implemented wherever S... Walker went in any part of the world.

"If Mr. Slater had wanted to make money for himself ... could have bought shares, ... the news that Slater Walker ... interested, and—with ... price would have hit the ...

"Both he and Mr. T... wanted Haw Par, the first ... Walker venture in the Far ... to make a profit for its ... holders as well."

Mr. Mathew complained after the Home Secretary authorised extradition the Singapore government drew some of the charges ... they had put before him.

"The prosecution has fa... prove the Spydar trans... were not straight-forward as Mr. Slater is concerned.

"If he is sent for trial ... evidence before this court ... be a grave miscarriage of ... and the consequences cou... catastrophic as he might ... to wait for months in cus... Singapore before the ca... heard."

The hearing was adj... until to-day.

Babcock men urge Government to act on power plant order

BY RAY PERMAN, SCOTTISH CORRESPONDENT

A DELEGATION from the Babcock and Wilcox factory at Renfrew will ask the Government to-day to save the heavy electrical engineering industry by bringing forward the order for the Drax B power station.

The company has said that unless the Central Electricity Generating Board places a new order soon, lack of work will force the collapse of its own power and process engineering subsidiary and its main competitor, Clarke-Chapman of Gateshead.

Babcock and Wilcox said yesterday that it was negotiating on several possible export contracts, but even if it won one there would still be redundancies because of the 12-month lag in designing and obtaining materials for power station plants.

Lay-offs will start at Renfrew next month and could build up to one-third of the workforce—600 administrative and 800 hourly-paid workers—by the end of the year.

Over-capacity in electrical generating during the 1960s has meant that no new order has been placed since 1973. The CEGB says that it will not need to order again until 1980.

The Central Policy Review Staff, however, recommended that the order for Drax B, in Yorkshire, should be brought forward to save the industry.

Commitment

So far the Government has not acted on the recommendation. To-day's deputation of convenors from the three manual and three white-collar unions with members at Renfrew and Mr. Norman Buchan, the local Labour MP, will ask Mr. Alan Williams, Minister of State for Industry, and Dr. Dickson Mabon, Minister of State for Energy for an assurance that it will do so.

Mr. Buchan said last night that he would ask for a commitment to build a new nuclear station in the near future as well as bringing forward the ... order.

"This would make ... terms of the Government's priority for manufacturing industry, since you ... expand manufacturing ... expanding generating."

He will press the Gove... to do what it can to ... company secure export ... both by exerting press... direct orders towards ... and by providing bette... terms for potential ... customers.

The aim would be ... management an incentive ... the workforce together.

Mr. George Grant, ... mated Union of Engi... Workers convenor, said ... no new order was pla... further third of the ... would be laid off during 19...

"Unless we protect our ... nology, which is fairly ad... as far as other countries ... concerned, there will ... adverse effect on the bal... payments and the con... sequences will be disastrous."

Narrowing of trade deficit reflects sharp imports fall

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE £333m. NARROWING in the visible trade deficit last month reflected in particular a sharp fall in total imports, with volume down by 7½ per cent. Exports at last showed signs of the long-awaited faster rate of growth with an increase in volume of 4½ per cent. The strength of the pound in December helped, since the terms of trade—the ratio of export prices to import prices—rose by 1 per cent., back to the October level. In 1976 as a whole the terms-of-trade index fell by 1 per cent. as a 21 per cent. rise in export unit values was slightly stripped by a 23 per cent. increase in import prices. ... important factor last ... was a narrowing in the ... deficit from the abnormally high figure in November which may have reflected stocking-up ahead of ... OPEC meeting.

BALANCE OF TRADE

	Exports £m. seasonally adjusted	Imports £m. seasonally adjusted	Exports Volume seasonally adjusted 1970=100	Imports Volume seasonally adjusted 1970=100	Terms of trade *Unadjusted 1970=100
1975					
1st	4,531	5,383	128.9	125.4	76.9
2nd	4,479	5,160	122.6	122.2	80.2
3rd	4,632	5,621	120.0	127.4	81.8
4th	5,126	5,809	128.3	127.2	80.7
1976					
1st	5,445	5,893	131.6	124.0	81.1
2nd	6,020	6,988	137.1	136.7	79.8
3rd	6,150	7,316	133.1	137.2	80.0
4th	6,818	7,847	139.8	138.7	78.8
August	2,049	2,333	132.6	131.2	80.5
Sept.	2,142	2,509	136.7	140.1	80.2
October	2,231	2,572	140.1	142.6	79.2
November	2,225	2,734	136.6	142.2	78.2
December	2,362	2,541	142.6	131.4	79.1

* The ratio of export prices to import prices.

RACING — BY DOMINIC WIGAN

Blushing Groom for '2,000'

WITH RACING at Wetherby and Wolverhampton called off, to-day may be a good time to examine two widely differing events.

It now seems more than likely that Europe's top two-year-old, the Aga Khan's Blushing Groom, will be aimed at our 2,000 gns. on April 29, leaving stable companion General to go for the French equivalent, the Poule d'Essai des Poulains.

I cannot imagine the extremely patriotic Baron Guy de Rothschild, president of the French Jockey Club, opting for the English classic with General, whereas the Aga Khan is always ready to go raiding with his better animals.

Looking less further ahead to Saturday's highly competitive Haydock fixture, it is interesting to note that the leading bookmakers are unanimous in placing Bunker Hill ahead of Border Incident in the betting for the 2½ miles Embassy Premier Chase Final.

Bunker Hill, unbeaten over fences, heads the market at 9—4 in most lists, followed by Border Incident, generally quoted at 11—4.

One man who is clearly hopeful that the Adrian Maxwell-trained Bunker Hill can give Ireland its first winner of this race since 1973 is owner Mr. Thomas J. Davies, Jnr. He is to fly over from his home in San Francisco to see the race.

If, as seems likely, John Francome is required at Kempton for Lanzarote and Pendil, Ron Barry will again substitute on Border Incident—Upper Lambourn's mainstay of the home defence.

Barry is no stranger to Richard Head's top class seven-year-old for he partnered him to an emphatic success over Snow Flyer in a qualifier for to-day's race at Ascot towards the end of October and again when Tree Tangle proved too much of a stumbling block in the Black and White Whisky Gold Cup there three weeks later.

Other Embassy Chase Final prices are: 6—1, Master H; 8—1 Tied Cottage; 10—1 Shuil Donn; 14—1 Zip Fastner; 16—1 Lucius and Zongalero.

HOME CONTRA...

£3m. order for STC

STANDARD TELEPHONES AND CABLES, Newport, G... received an order worth ... £3m. from the Post Office ... exchange signalling equipment. The contract is for ... equipment used in the ... trunk telephone network ... "Signalling System AC9" ... used in the setting-up ... of a telephone connection ... two callers.

★

MARCONI COMMUNICATION SYSTEMS, a GEC-Marconi Electronics company, is to ... further underwater telephone ... telegraph systems for the ... marines and ships of the ... Navy under contracts ... about £½m. This follows ... announcement in February ... year of orders to supply ... with about £1½m. worth of ... equipments. The new ... placed by the Ministry of ... (Procurement Executive) ... type 2008 underwater ... systems and type 2010 ... water telegraph systems.

★

LOEWY ROBERTSON ENGINEERING COMPANY, ... Dorset, a Davy International company, has won a contract ... £1.8m. for modifications ... tandem rolling mill for ... Aluminium at Falkirk.

TV/Radio

4.25 Jackanory. 4.40 The Golden Samurai. 5.05 John Craven's Newsround. 5.15 Country Search. 5.35 Magic Roundabout.

BBC 1

† Indicates programme in black and white.

9.38 a.m. For Schools, Colleges. 12.45 p.m. News. 1.00 Pebble Mill. 1.45 Bod. 2.00 You And Me. 2.14 For Schools, Colleges. 3.20 Fo A Fe. 3.53 Regional News (except London). 3.55 Play School. 4.20 Dastardly and Muttley in their Flying Machines.

5.40 News.
5.55 Nationwide (London only).
6.20 Nationwide.
6.50 Dad's Army (London only).
7.20 The Waltons.
8.10 Warship.
9.00 News.
9.25 Play For Today.
10.45 Tonight.
11.20 The Education Debate.
11.45 Weather/Regional News.

All Regions as BBC-1 except at the following times:—

Wales — 3.00-3.20 p.m. For Schools: Let's Look At Wales. 5.55-6.20 Wales Today. 6.50 Heddiw. 7.15 Cawl A Chan. 7.45-8.10 Tomorrow's World. 11.45 News and Weather for Wales.

Scotland—5.55-6.20 p.m. Reporting Scotland. 6.50-7.20 The Green Table. 11.20-12.00 History Is My Witness. 12.00 News and Weather for Scotland.

Northern Ireland—3.53-3.55 p.m. Northern Ireland News. 5.55-6.20 Scene Around Six. 6.50-7.20 Here's How. 11.45 News and Weather for Northern Ireland.

England—5.55-6.20 p.m. Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth). 6.50-7.20 East (Norwich) Spot On; Midlands (Birmingham) Visitor's Cotswolds; North (Leeds) Youth Concerts; North East (Newcastle) The Hobby Horses of George Bowman; North West (Manchester) We'll Call You; South (Southampton) Hey Look . . . That's Me!; South West (Plymouth) Peninsula; West (Bristol) Band Call.

BBC 2

11.00 a.m. Play School.
2.15 p.m. Other People's Children.
2.30 Wordpower.
3.00 Film As Evidence.
3.30 Peter Donaldson's Illustrated Economics.
7.00 News On 2 Headlines.
7.05 Zarabanda.
7.30 Newsday.
7.50 Live From La Scala, Milan: Montserrat Caballe As "Norma," opera by Bellini, Act 1.
9.25 The Man Alive Report.
9.55 "Norma," Act 2.
11.15 Late News On 2.
11.25 Old Grey Whistle Test.

LONDON

9.30 a.m. Schools Programmes. 12.00 Issi Noho. 12.10 p.m. Rainbow. 12.30 Paint Along With Nancy. 1.00 News. 1.20 Today's Post. 1.30 Crown Court. 2.00 Good Afternoon. 2.25 Sam. 3.20 Rooms. 3.50 Emmerdale Farm. 4.20 Michael Bentine's Potty Time. 4.45 Magpie. 5.15 . . . And Mother Makes Five.

5.45 News.
6.00 Today.
6.35 Crossroads.
7.00 Dave Allen and Friends.
7.30 The Six Million Dollar Man.
8.30 Robin's Nest.
9.00 Spaghetti Two-Step.
10.00 News.
10.30 The Gospel According To St. Michael: Inside story of the rise of one of Britain's most successful companies—Marks and Spencer.
11.15 Manhunter.
11.55 Close: Vivienne Ross reads a favourite Psalm.

All ITV Regions as London except at the following times:—

ANGLIA

1.25 p.m. Anglia News. 2.00 Houseparty. 5.15 Star Maidens. 6.00 About Anglia. 11.15 Baretta. 12.00 Men Who Matter.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 5.15 Spiderman. 6.00 ATV Today. 7.25 Cartoon. 7.30 Hawaii Five O. 11.15 Journey to the Unknown.

BORDER

†1.20 p.m. Border News. 5.15 Out of Town. 6.00 Border News and Lookaround. 7.00 Mr. and Mrs. 7.30 Emergency. 11.15 The Streets of San Francisco. †11.55 Border News Summary.

CHANNEL

†1.20 p.m. Channel Lunchtime News and What's On Where. 5.15 Supersonic. †6.00 Report at Six. 7.00 Sale of the Century. 7.30 Streets of San Francisco. 11.15 Baretta. 12.00 Men Who Matter. †12.15 Commentaires et Previsions Meteorologiques.

GRAMPIAN

9.25 a.m. First Thing. 1.20 p.m. Grampian News Headlines. 5.15 Run Joe Run. 6.00 Grampian To-day. 6.10 Wildlife Cinema. 11.15 Reflections. 11.20 The Protectors.

GRANADA

1.20 p.m. This Is Your Right. 5.10 This Is Your Right. 5.15 Crossroads. 6.00 Granada Reports. 6.30 The Protectors. 7.30 The Streets of San Francisco. 11.15 The Collaborators.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Houseparty. 5.15 Breaktime. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 The Streets of Wales. 7.00 Three Little Words. 7.30 Hawaii Five-0. 11.15 Phyllis.

HTV Cymru/Wales—As HTV General Service except 1.20-1.25 p.m. Penawdau Newyddion Y Dydd. 4.20 Am Gymru. 4.35-4.45 Anturiaethau'r Marchog Glas. 6.00-6.15 Y Dydd. 10.30 Byd. 11.15-11.45 World in Action.

HTV West—As HTV General Service except 1.20-1.30 Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

†1.25 Road and Weather Report. 5.15 Pipet and his Friends. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Welcome to the Ceilidh. 7.25 Cartoon. 7.30 Hawaii Five-0. 11.15 Late Call. 11.20 Night Gallery.

SOUTHERN

1.20 p.m. Southern News. 2.00 Houseparty. 5.15 Sinbad Junior. 5.20 Crossroads. 6.00 Day by Day, including Southsport. 7.30 Emergency. 11.15 Police Story. 12.00 Southern News Extra. 12.28 a.m. [illegible]

TYNE TEES

9.25 a.m. Starting Point. 1.20 p.m. North East News and Lookaround. 3.50 The Mary Tyler Moore Show. 5.15 Emmerdale Farm. 6.00 Northern Life. 7.30 Hawaii Five-O. 11.15 Dan August. 12.15 a.m. Epilogue.

ULSTER

1.20 p.m. Lunchtime. 2.00 Houseparty. 3.48 Ulster News Headlines. 5.15 Run Joe Run. 6.00 Ulster Television News. 6.35 Reports. 11.15 The Playwright: Trevor Griffiths.

WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 5.15 Supersonic. 6.00 Westward Diary. 7.00 Sale of the Century. 7.30 The Streets of San Francisco. 11.15 Westward Late News. 11.18 The President of Europe—profile of Roy Jenkins. 12.03 a.m. Faith for Life.

YORKSHIRE

1.20 p.m. Calendar News. 5.15 Calendar Tuesday. 5.15 Emmerdale Farm. 6.00 Calendar (Emley Moor and Belmont editions). 7.30 Hawaii Five-O. 11.15 Police Story.

RADIO 1 247m

(S) Stereophonic broadcast.

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn, including The Golden Hour: Oldies from 1960. 12.00 Paul Burnett, including 12.30 p.m. Newsbeat. 2.02 Ed Stewart (S) (also on VHF). 4.30 It's D.L.T. OK! (S) 5.45 Newsbeat. 6.02 John Dunn (S) (joins Radio 2) and 247m only until 9.30 (also 202m Scotland). 10.02 Sports Desk. 10.05 BBC Radio Orchestra (S). 11.02 Ruth Cubbin with The Late Show (1500m only, also 202m Scotland. VHF joins Radio 1). 12.00-12.05 a.m. News.

RADIO 2 1,500m and VHF

[illegible]

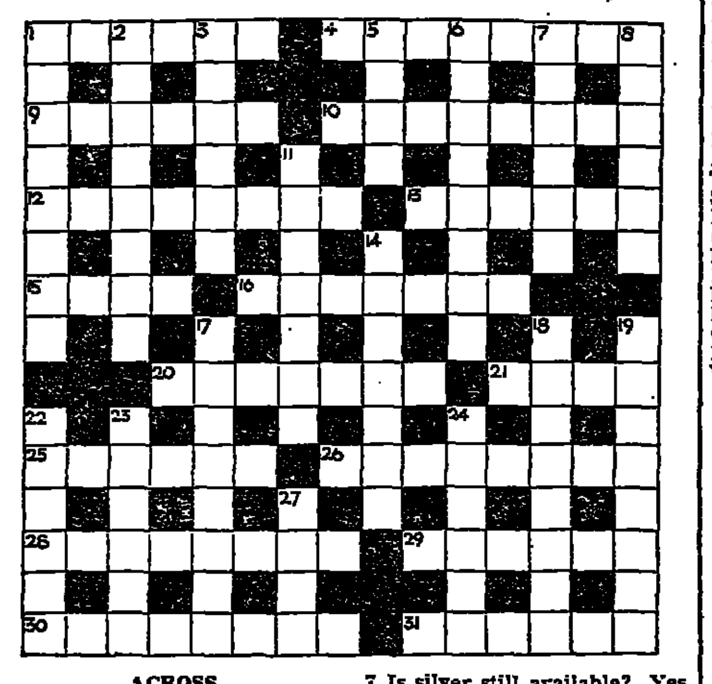
RADIO 3 464m, Stereo & VHF

[illegible]

RADIO 4

[illegible]

F.T. CROSSWORD PUZZLE No. 3,282



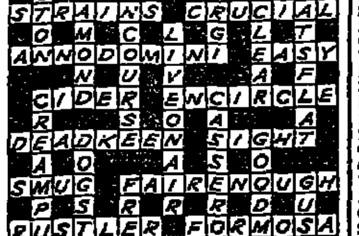
ACROSS

1 I must get in position for fish . . . . (6)
4 . . . and choose fish for preserving (8)
9 Unfashionable crowd from the beginning (6)
10 Arrive after chief in cape (8)
12 Inspector, formerly a collier (8)
13 A Liberal fellow makes a shady retreat (6)
15 Left in cravat and hat (4)
16 Great service I have to follow (7)
20 Leading player in the mire is hot stuff (7)
21 Spice used as a sign of authority (4)
25 In favour of suitable gain (6)
26 Stopped whisky going to editor (8)
28 Evoked what the priest quoted (8)
29 Erase bad service in river (6)
30 Just departing without delay (5, 3)
31 A bouquet going up (6)

DOWN

1 A quality that is always present in land owned by somebody (8)
2 Perform with universal friend as a matter of fact (8)
3 Believe half the account (6)
5 Article I met coming up (4)
6 Delicate child initially getting nothing (3-5)
7 Is silver still available? Yes, for a figure! (6)
8 Dash about to obtain an ingenious device (6)
11 A kick—for punishment? (7)
14 Bird making East German wealthy (7)
17 Dog I enrol could be a Boxer (8)
18 Change me a note for a fine soft textile (8)
19 A down-and-out is quite exhausted (4-4)
22 Does it seem to be a soft fruit? (6)
23 What the orchestral leader is doing before and during the concert (6)
24 Apply pressure to southern lock (6)
27 Complain about the meat (4)

SOLUTION TO PUZZLE No. 3,281



National Portrait Gallery (Carlton House Terrace)

The Baron and the British

by DENYS SUTTON, Editor of Apollo

Garrick with his quick wits and artistic understanding was the first to realise the potentialities of John Zoffany (1733-1810) as a painter of stage scenes. The great actor commissioned Zoffany to paint him playing in *The Farmer's Return*, 1762 which was scraped in mezzotint four years later.

The work must have struck a fresh note in English paiting; it combines humour and naturalness and a sense of the tangibility of things. Moreover, it catches a theatrical moment. Zoffany rightly scored success as a painter of such scenes which are among his most remarkable works.

His ability to take up such painting was a sign of his versatility. The early works in the Zoffany exhibition at the National Portrait Gallery (Carlton Terrace annexe), which is overcrowded and badly hung, reveals that at the start he was a conventional German rococo artist. He had been brought up in the small court of the Prince of Turm and Taxis and, after a period of study in Rome, he had been employed at the Electorial court at Trier.

Zoffany's arrival in England in 1760 was an adventure; he had come to seek his fortune. He had a courtier's adaptability and as the exhibition shows he could run up a picture in whatever style required. He was a more inventive artist than has hitherto been recognised: his large-scale portraits, such as those of Mrs. Oswald and William Drummond are remarkable.

Zoffany: Andrew Drummond

Despite a paucity of information, Mary Webster, the author of the catalogue, has brought together enough to provide a coherent account of Zoffany's career, with its ups and downs, his marriage, affair with a girl beneath his station and eventual marriage to her and the death of their young son; the daughters survived. The impression remains that Zoffany was easy going and pleasure loving, but not without a streak of melancholy in his character. He liked to live well and when Maria Theresa made him a Baron, his servants wore liveries of scarlet and gold with blue facings.

One genre which suited him was the conversation, which had enjoyed popularity in Britain since the days of Van Aken and Hogarth. Zoffany's range as a painter of such scenes was considerable; he could paint groups equally well indoors and outdoors. One of his supporters was Queen Charlotte and his picture of her and her two eldest sons in fancy dress is a delicious example of Zoffany's skill. He held the mirror up to his sitters and they were delighted by what they saw.

Sir Lawrence Dundas, for instance, must have been highly pleased by the portrait of him and his grandson in the drawing-room of his Arlington Street house. Here he was presented for all time, with his paintings, his bronzes and a grandson to ensure the continuity of his life.

Zoffany's painting of Dundas tells us much about 18th-century life and of that desire to create wealth which was to give the country its position as a great power. Zoffany's paintings underline the concept of owning property that is fundamental for the existence of any civilised society, and one reason for his present appeal is that he painted men and women who believed in the pursuit of happiness.

The lively painting of William Ferguson introduced as heir to Raith is a study in social history and Mary Webster has carefully pieced together the story behind the picture, although even now its meaning is not quite clear. It is an enigmatic work which has a theatrical look. Why, for instance, does Zoffany introduce his own portrait into the composition? Is he the foreign spectator amused and impressed by the way of life of his patrons?

Zoffany had a tourist's eye for British life and left detailed pictures of the Academicians at the Royal Academy and William Hunter lecturing at this institution. His most celebrated "record" picture is that of the Tribuna of the Uffizi, which was painted for Queen Charlotte and provides both a selection of the treasures of this collection and of some of the English Grand Tourist; it also depicts a famous resident, Lord Cowper.

Cowper sat for Zoffany who also painted a delightful picture of him and his future bride and her family on an open terrace in Florence. Two of the family are playing music. Zoffany had numerous musician friends (as did Gainsborough) and one of the most accomplished of his latter pictures is of the Sharp family, who would give concerts on their barge Apollo at Fulham. Zoffany's eye for detail did not dim with the years and his sensitivity to plastic form is shown in the celebrated painting of Charles Towneley's Library.

Zoffany not only worked for the British while in Florence but for Maria Theresa. One of the best of the portraits done at her behest was of the Archduke Francis, a theatrical picture of charm and dignity. Once again it attests to the artist's ability to ring the changes: he introduces just the right note of distance to accord with the etiquette of Vienna. The still-life in the painting is admirably executed and shows that a degree of illusionism was inherent in his nature: perhaps to this must be traced his skill as a painter of the stage. He enjoyed observing local life, as is shown by the pictures of the Florentine fruit stall and the festival of the maize harvest.

The final section of the exhibition deals with Zoffany's time in India, where he went in 1783 and painted conversations, interesting genre scenes, such as *Colonel Mordaunt's Cock Match* and the ruler of Oudh. His pictures recall the India of William Hickey, where fortunes waited the intrepid. He seems to have enjoyed himself in India and took an interest in local affairs, joining the Asiatic Society. He returned to England in 1789.

His last years remain obscure. He painted in 1794 a scene of the Paris mob plundering the King's cellar, but after 1800 he seems to have abandoned painting. In any event, he had led an active life and a new world had dawned. Zoffany remains a man of mystery. How can one explain the veiled look of his eyes in his self portraits? Did he feel the transience of all things and attempt to set down in his hard colour a way of life which had reached its climax in his time? Do we admire his painting in the same way as we appreciate the bas reliefs of ancient Egypt? Both present a vanished civilisation.

Jill Bennett and John Mills in 'Separate Tables' which opened last night at the Apollo Theatre

Leonard Burt

New York theatre

More quantity than quality

by GEORGE OPPENHEIMER

The holidays brought with them quite a few openings but, unfortunately, they are mostly the sort of gifts one would like to return.

To be kept, there has been a revival of *Fiddler on the Roof* with Zero Mostel bigger than life and more abundantly talented than ever; and to be returned, of Tennessee Williams' *The Night of the Iguana*, not one of his better plays, with Richard Chamberlain giving an excellent account of himself as the defrocked priest, Dorothy McGuire charming as the spinster and William Roerick good as her "94 years young" poet father. Sylvia Miles plays the sluttish innkeeper of the Mexican hostel all on one shrill note.

Several of the critics had nothing but kind words for *Your Arms Too Short To Box With God*, a musical version of the Book of Matthew adapted by Vinnette Carroll. I regret to say I was not with them. I have never particularly taken to gospel music and, except for a few dances, there is little but that, shouting mostly, by Alex Bradford with additional numbers by Micki Grant. The result is a black Passion Play that, at times, degenerates into a minstrel show or turns into a Holy Roller meeting. The cast, however, under Miss Carroll's vigorous direction, is above reproach. Not having been an enthusiast of *Jesus Christ Superstar* in its bloated staging by Tom O'Horgan, I could at least appreciate the simplicity and unpretentiousness of this later item but, after a half hour or so, all the numbers sounded like reprises, so similar were they. For my taste *Godspell* is a better and, with all its cloyn play, a more moving and reverent version of Matthew.

A new original American play, a rare item in this sorry season, is *The Trip Back Down*, by John Bishop. It tells of a car racing driver who has fallen on bad times and has returned to his small town, in the words of the late humorist Arthur Kober, "to renew old hostilities." Happily, John Cullum plays the leading role and, unpleasant as his character is, he contrives to make it palatable and even colourful by his sterling performance. Most of the action concerns itself with Cullum's travelling back and forth from past to present, detailing his failures, his fights with his wife and almost everyone else who crosses his path, his one-night stand with his brother's wife and other occupations indigenous to a small town and to his nature. It seemed to me like a minor segment of the unsuccessful *Texas Trilogy* earlier in the season.

George Abbott, senior showman (89 years of age with well over 100 productions to his credit as actor, producer and/or director-writer) had the idea of turning *Twelfth Night* into a musical, entitled *Music Is*. Music wasn't, and departed promptly.

I liked greatly *Joseph and the Amazing Technicolor Dreamcoat* by Tim Rice and Andrew Lloyd Webber, which has come to Brooklyn at its Academy of Music.

Once again I am fairly alone in my estimate. Most of the daily critics lambasted it, thereby proving that something is rotten in the ey eof the beholder (to mix metaphors). I found it a lot more fun th: a most biblical derivations and extremely well done with Cleavon Little, as Narrator, managing to be more stylish and capable than ever. It was a highly limited engagement and has closed with rumours of re-opening still unconfirmed.

The one offering that brought out a unanimity of opinion was *Something Old, Something New*, a dire comed yby Henry Denker that lasted one night. It was, to use a euphemism, horrendous.

We now come to a saving grace. Off Broadway there has appeared something called *Nightclub Cantata*. I must admit I attended its opening cautiously since one of its producers is a close friend. I had also heard that it was not very good before its opening. Let me say that my informant is and will forever be a curmudgeon with little taste and less judgment. I found this musical cabaret utterly charming and, what's more, completely original.

Except for an hilarious take-off on acrobats, the proceedings proceed in song. Elizabeth Swados, who composed the music, directed the action and acted in it, is something out of the ordinary. I might even go so far as to say that she is extraordinary. Her music is tuneful; she has assembled a fine cast of youngsters; she herself stands out, and her direction and concept are altogether first-rate. She has written music to various words by such as Carson McCullers, Muriel Rukeyser, Frank O'Hara and herself, and presented her songs with an off-beat charm that, to borrow an adjective, is charming. Again a few of the major critics disagreed with me violently. Must they be eternally wrong?

A new theatre in Kingston

A new theatre, the Overground Theatre, is to open in Kingston-upon-Thames on January 25. It is a converted church hall, with a raked auditorium and reconditioned theatre seats. The work, which includes a new lighting system and the installation of a coffee bar, cost only £3,500.

The first production will be Labiche and Gondinet's farce, *The Happiest of the Three*.

Book review

Ballet mistress

by CLEMENT CRISP

Step by Step by Dame Ninette de Valois. W. H. Allen. £4.50. 204 pages

I am in duty bound to declare a certain interest in Dame Ninette's new book because she has been kind enough to acknowledge my slight editorial help in her introductory page. I do this, though, only in order to pinpoint something of the essential quality of a collection of writings which cover a period of 40 years. During this time Dame Ninette guided the creation and development of a great ballet company, and in reading through some of the earliest pieces with her I was made aware of her ability to foresee the balletic future with extraordinary precision. It was for the reason that, only half-joking, I ventured to suggest that she call the book "I told you so." Her own title, *Step by Step*, is, of course, truer, and better in indicating how the great enterprise of a National Ballet was brought to fruition. Her own dance education; the influences upon her; her colleagues and collaborators; the great talents she engaged or discovered or—as in the case of the present generation of the Royal Ballet—made actually possible; all are assessed in generous, lively prose. Through the book's placing of incidents and decisions we can see the history of her great achievement, with a real sense of what I may call historical rhythm (not for nothing did Dame Ninette make ballets having both well-drawn characters and a carefully considered structure).

Some of the early writings astonish by their freshness; the portraits of Lilian Baylis, Helpmann, Lambert, Fonteyn are vividly apt. Other pieces, recently written combine wisdom with an alert enthusiasm. The chapter on choreography, dated 1973, ought to be required study for every young dancer and apprentice creator who pretends to any interest in ballet, and for the general reader it sets in neat perspective all the fuss of experiment and "choreographic doodling" and the supposed sanctity of Petipa steps as opposed to the real merits of the Petipa style.

There is also included for a grateful posterity the Memorandum which Dame Ninette submitted in 1954 concerning the granting of a Royal Charter to the then Sadler's Wells Ballets. This, too, should be read by anyone wishing to understand how the structure of the Royal Ballet was conceived and how its two sections should operate to-day if they are not to lose their sense of direction. These major writings are the book's core. As its third act, though meatier than most last act divertissements, are a series of impressions. A diary of a visit to Russia is full of pertinent observation: the account of the Turkish National Ballet—to which Dame Ninette has been both nurse and patron—is illuminating. The comments upon W. B. Yeats (we tend to forget Dame Ninette's "other" life in Yeat's *Plays for Dancers*) and the portrait of Diaghilev are both fascinating.

And the final article—"What makes a dancer's life"—seems to me to be one of the most illuminating and revealing things that Dame Ninette has ever written. It is the apotheosis of the book, and in its combination of careful reason and passionate conviction, it is a *credo* we would do well to heed if we treasure the Royal Ballet and its School, and the woman who made them possible. Essential reading.

As a post-script, let me note that among the illustrations are some fascinating action shots taken from the wings at Sadler's Wells during the 1930s by Rear Admiral Moore, and that two poems by Dame Ninette are an added bonus. The *Epilogue* dedicated to Kenneth MacMillan and his dancers in *Song of the Earth* touches the heart.

Sadler's Wells Theatre plans for 1977

Sir Roger Falk, chairman of Sadler's Wells Theatre, opened yesterday's Press conference at Rosebery Avenue by expressing his deep gratitude for industry's support (he did not, however, name the firms involved) for this year's programme.

Five foreign companies making their first visit will be the Royal Danish Academy (March), Gothenburg Opera (May), the Greek Art Theatre (May), the Les Danses Sacree de Bali (August) and the Korean National Dance Company (August).

The London Opera Centre (March and July) make a return visit, also the Royal Northern College of Music (March), the London Contemporary Dance Theatre (April and November), the Sadler's Wells Royal Ballet (April and September), the English Music Theatre Company (June), D'Oyly Carte Opera Company (July and December), Kabuki (August) and the Handel Opera Society (October).

D'Oyly Carte Opera continues the current ten-week season until February 26, by which time it will have presented ten Gilbert and Sullivan operas.

There will be a season of international student opera in the early spring given jointly by the London Opera Centre, the Royal Northern College of Music and the Royal Danish Academy, Copenhagen. The London Opera Centre will present Britten's *The Rape of Lucretia* and Lully's *Alceste*; the Royal Northern College of Music will present Puccini's *La Boheme* and in the second half of the programme Brian Hughes' *Stars and Shadows*. The Royal Danish Academy will give a dou le bill: Norholm's *The Garden Wall* and Gluck's *Le Cinesi*.

The London Contemporary Dance Theatre's repertoire includes the London premiere of *Successions* and other new works are a ballet by Robert North and *Harmonica Breakdown* by Jane Dudley. There will also be revivals of *Consolation of the Rising Moon* and *One Was the Other*. The rest of their repertoire includes *No-Man's Land*, *Class*, *Diary*, *Nympheas*, *Troy Game*, *Khamsin*, *Place of Change*, *Nema* and *Step at a Time*.

The Sadler's Wells Royal Ballet will appear at their new resident theatre for two seasons during 1977, opening with a Gala Performance which will include *Raymonda Act III*, Lynn Seymour's new ballet *The Court of Love* and *Checkmate* with Robert Helpmann in the role of the Red King.

The Gothenburg Opera will give the British premiere of *Tintomara* and a concert will be given on May 19 which will include British, Swedish and Italian Music and present the soloists and chorus of the Gothenburg Opera.

The Greek Art Theatre give two British premieres during their two week season: Aristophanes' *The Acharnians*, and a tragedy, to be announced.

In honour of the Queen's Jubilee, on June 7 (until June 23) the English Music Theatre present a new production of Purcell's *The Fairy Queen* followed by *The Magic Flute* and *Albert Herring*.

The Royal Winnipeg Ballet have had to cancel their proposed season.

Les Danses Sacrees de Bali have a two-week season from August 1 to 13 as part of their European tour. The cast of 19 dancers and 15 musicians will offer ancient war dances, almost forgotten since the last century, as well as masked dances so specific of the Sebatu style.

The Korean National Dance Company appeared briefly in London in 1972; many of the 40 girls are "older sisters" or ex-members of The Little Angels who enchanted London audiences on previous visits.

The Handel Opera Society will appear at Sadler's Wells during the weeks of October 31 and November 7 in a new production of *Ezio*, the first performance since Handel's death, with John Angelo Messana as the Roman Emperor and *Acts and Galatea* with Joy Roberts as Galatea. *Acis and Galatea* will be preceded by a curtain raiser, the Prologue of Rameau's opera *Les Fetes d'Hebe*. Charles Farncombe will conduct the Handel Opera Chamber Orchestra throughout the season.

D.P.

Arts news in brief

The seventh National Festival of Music for Youth will be held this year on July 9. It will take place in the three South Bank Concert halls. The Festival will form part of the Queen's Silver Jubilee celebrations.

★

The American production of *Dirty Linen*, the play written by Tom Stoppard for the Ambiance Lunch-Hour Theatre Club at the Almost Free Theatre, London, has opened on Broadway at the Golden Theatre, making it the first London lunchtime fringe production to open on Broadway.

The American production is directed by the Inter-Action Trust's director, Ed Berman, who directed the London production.

★

On Thursday, February 3, in Birmingham Town Hall, Louis Frémaux, principal conductor of the City of Birmingham Symphony Orchestra, directs a performance of Mahler's *Das Lied von de Erde*.

The soloists will be mezzo-soprano Yvonne Minton and the Swiss tenor Ernst Haefliger.

★

On Thursday, February 10, Birmingham Town Hall will be the venue for the world première of a Flute Concerto by the Indian-born composer John Mayer, featuring James Galway as soloist. The first London performance will be given in the Festival Hall on the following evening.

John Mayer's music has always been closely associated with the fusion of Indian and European styles (notably through his "Indo-Jazz Fusions") and the title of the new work reveals its roots in Indian classical music, *Mandala ki Raga Sangeet (A Circle of Raga Music)*.

★

Mstislav Rostropovich, will celebrate his 50th birthday by giving a concert on March 6 at the Royal Festival Hall. The London Symphony Orchestra will be conducted by Norman del Mar.

The programme will include Richard's Strauss's *Don Quixote* and Tchaikowsky's Rococo Variations and, as a tribute to the late Benjamin Britten, the Four Sea Interludes from *Peter Grimes*.

The proceeds from this concert are being donated to the Queen's Silver Jubilee Appeal.

★

Manhattan Transfer, the two-man, two-girl group which specialises in distinctive interpretations of songs and sounds of the '30s, '40s and '50s, returns to Britain in February, making appearances at the New Victoria, London on February 23 and 24 followed by the Palace, Manchester on the 27. The dates are part of the group's four-week European tour.

★

The first-night production of Bellini's *Norma* this evening will be broadcast live on BBC2. Montserrat Caballe will sing the leading role. The transmission will run for three hours, the interval being filled with a *Man Alive* programme. Other programmes scheduled for the evening will be rearranged.

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EUROPEAN NEWS

Nicholas Colchester in Bonn, describes how atomic energy policy has become a major political issue for West Germany

Nuclear power comes under a cloud

Demostrators dispersed by police tear gas during Brokdorf nuclear protest.

IN A MATTER of months, worry about nuclear power in West Germany has become a political force equal to the current concern about unemployment and growth. This force led the Government of West Germany's most populous and heavily industrialised State to declare last week that it will build no new atomic power stations until Germany has decided how and where it will bury its spent nuclear fuel.

The groundswell of feeling against nuclear power has overwhelmed the process of logical persuasion that is such a feature of modern German democracy. It has introduced the citizens' action group to German politics. It has sharpened what is for Bonn a painful question of international nuclear responsibility. It even suggests that the German love affair with economic growth is at an end.

Only two years ago atomic power fitted very obviously into the German scheme of things. It was assumed that growth, rudely interrupted by the oil embargo and its consequences, would be resumed and could be powered into the future by white, atomic domes dotted across an unpolluted landscape. Nuclear energy's share of West Germany's total primary energy consumption would rise from 1 per cent. in 1973 to 15 per cent. in 1985, or 45 per cent. of Germany's electrical capacity.

Atomic power stations would, moreover, become an important export product, providing ideal employment in Germany's skilled and expensive labour. Then, in February, 1975, came the events at Whyl—a name that is to to-day's German what Aldermaston is to an Englishman.

Worried inhabitants of this town in the south western corner of Germany occupied the site of a planned nuclear power station as the bulldozers moved in to clear it. For a time the conservative state Government tried to defend the site with police, barbed-wire and water cannons, but it soon realised that it was dealing, not only with extremists, but with a political force of some magnitude. The courts imposed a delay on construction of the power station.

In June, 1975, the Bonn Government signed an historic DM10bn. nuclear contract with Brazil. Germany agreed to supply up to eight nuclear power stations, together with the technology for a complete fuel cycle—prospecting, enrichment, fuel element manufacture, and the reprocessing of spent fuel elements.

The deal produced an immediate complaint from the U.S. because it breached the American principle of refusing to supply fuel-cycle technology to non-nuclear countries. The Germans claimed at first that the U.S. was bitter because it had not done the deal itself. Yet it soon became clear that Germany had bought itself access to Brazil's uranium and had secured 10,000 German jobs at the cost of a major problem over non-proliferation policy.

This deal was a watershed in the development of atomic power in West Germany. Since its signing nuclear problems have consistently attracted more attention than nuclear opportunities. West Germany found itself out on a limb in the expensive development of high-temperature reactors, because General Atomic of the U.S. pulled out of the game. This project now threatens to become a small Concorde-type issue for Germany.

Early in 1976 the country had to forgo welcome orders for nuclear power stations from South Africa because of Bonn's anti-apartheid stance. During the summer the power station at Biblis—the showpiece of the German nuclear industry—had to be shut down for months because of a problem in its main coolant circuit.

Meanwhile, the question of what Germany should do with its nuclear waste loomed ever larger. On the one hand, there was a growing feeling that it was irresponsible to continue the nuclear power programme without solving this question; on the other it became clear that the people of Lower Saxony, the state singled out as being geologically most suitable for an atomic dump, would not be easily persuaded to accept the £ multi-billion facility.

Last November the party congress of the Free Democrats, the liberal partners in the Bonn coalition Government, passed a resolution asking liberal Ministers to make sure that no further permits for nuclear power stations should be granted until the waste problem had been solved. Simultaneously, there was a more violent repeat of the Whyl story at Brokdorf, on the lower reaches of the Elbe river. The pitched battle that took place on this nuclear site received major coverage in the media and had a notable impact on the attitude of Bonn politicians.

Chancellor Helmut Schmidt adopted the demand of the liberal rank and file in his year-end Government declaration and added that the price of nuclear electricity must in future cover all aspects of the fuel cycle, including disposal. He also said that nuclear safety must have precedence over "all economic considerations."

Germany's nuclear aspirations have thus been downgraded to a necessary evil. To some extent this is due to an instinctive hunch on the part of the public that the evil is not as vital to Germany's growth as has been claimed in the past. Indeed, it may reflect a questioning of growth itself. Herr Hans Matthoefer, the Technology Minister, said of the events at Brokdorf: "This was not just a demonstration against the Brokdorf nuclear power station, but a strategic position in the whole debate about industrialisation."

> **Germany's nuclear aspirations have been downgraded to a necessary evil. To some extent this is due to an instinctive hunch on the part of the public that the evil is not as vital to Germany's growth as has been claimed in the past.**

The fact is that West Germany's recent experience has disproved the thesis that real national product and energy consumption will always grow hand-in-hand. The German GNP in 1976 was a real 2.3 per cent. above that in 1973 and yet total energy consumption was 2.2 per cent. down on the 1973 figure. In the light of this, and because the Government is now resigned to a lower rate of growth in the medium term, the Economics Ministry is busy reducing the German energy consumption figures predicted in its energy plan.

Two years ago it expected Germany to consume the equivalent of 555m. tons of coal in 1985 but it now envisages 55m. tons less. Such a cutback casts a considerable shadow over the vital need for nuclear power. This was to have provided 81m. tons of coal equivalent a year by the same date, compared with 7m. tons in 1976.

The immediate problem is not future power but future jobs. The German nuclear power industry is estimated to employ 40,000 people, supplying or working for two German nuclear power station builders, Kraftwerk Union and BBR. It is said that to remain fully employed this workforce must turn out eight power stations a year.

Assuming that the country's nuclear power programme is not slowed further, West Germany can use only between two and three new nuclear power plants a year and the rest must go abroad. Because of this equation the events at Brokdorf did not only bring the citizenry out against nuclear power; they brought out 7,000 Kraftwerk Union workers concerned for their jobs.

It is against this background that the future of the Brazilian deal looms so large. At the time of its ratification it was greeted in Germany as the breakthrough that justified Bonn's DM17bn expenditure on nuclear research and development. It guaranteed German jobs and it provided for the delivery to Germany of 2[illegible] per cent. of whatever uranium ore was discovered in Brazil through the joint prospecting efforts of the two countries.

Bonn satisfied itself that it was acting responsibly in transferring its fuel technology by insisting that Brazil agree to international inspection. These safeguards went well beyond those laid down by the International Atomic Energy Agency, yet America remained convinced that they were insufficient and unenforceable. With this continued opposition the German Press, and some politicians in private, began to have second thoughts on the matter.

Germany's position was further undermined by France's decision late last year to stop exporting fuel processing technology in future. France let its controversial deal with Pakistan stand, but made it clear that it would not be angered if Pakistan bowed to U.S. pressure to go without the reprocessing equipment.

Despite the French volte-face, Bonn remains committed to the Brazilian deal. The problem for Herr Schmidt's Government is that it must now develop a relationship with President Carter's new administration—economically, politically, and militarily the most important relationship the Bonn Government has.

American and German diplomats admit that the Brazil deal to which Mr. Carter alluded with disapproval during his campaign will be an important issue in the first contact between the Chancellor and the new President.

U.K. troubles 'to continue'

PARIS, Jan. 17.

BRITAIN'S ECONOMIC muddle is expected to continue in 1977 with the pound weakening and unemployment rising, according to an international economic report published here to-day.

The Hudson Letter, a non-profit international forecasting paper prepared by Paris-based Hudson Europe, said Britain in 1977 "will persist in the economic slough of despond."

Inflation might fall to 11 or 12 per cent. by the end of the year, but there would be a slow and unevenly distributed increase in industrial production, and exports would remain disappointing.

Sterling could well decline on foreign exchange markets "mainly because the Government's position remains precarious and the lack of a firm economic recovery causes persisting distrust of sterling abroad," it said.

Britain was next to last in the growth table of the six major countries surveyed, with gross national product growth expected to reach 1 per cent., just above Italy's minus 0.5 per cent. but far below Japan's 6 per cent.

Reuter

Soviet attack on artists

LENINGRAD, Jan. 17.

SOVIET POLICE to-day cracked down on a group of unofficial artists by blocking the entrance to a private apartment and refusing others to travel to Leningrad where an exhibition of their art is to open on Tuesday.

Natasha Kazarinova (30), in whose apartment the show is scheduled to open, said officials have accused her of staging the showing "for political purposes" to raise money for political prisoners. She denied the accusations and said the exhibit will be free of charge if it is allowed to open as scheduled.

Meanwhile in Belgrade, dissident Miloyan Djilas says his fellow dissident writer Mihajlo Mihajlov is in "dangerous condition" because he has been starving himself in jail for more than a month to dramatise demands to improve conditions for political prisoners.

Agencies

Danes cooler to Market

The EEC's popularity with Danish voters has dropped to an all-time low, according to a new Gallop poll, writes our Copenhagen correspondent.

It showed that only 31 per cent. would vote for membership of the Common Market to-day while 50 per cent. would vote against.

In the 1972 referendum 57 per cent. voted to join and 33 per cent. against.

Yugoslavia production

Yugoslavia's industrial production rose 3.4 per cent. last year, or about half the exported growth, according to the Federal Statistics Bureau, AP-DJ reports from Belgrade.

Austrian deficit

Austria had a current account payments deficit of Sch.6.6bn. in November compared with Sch3.8bn. in October and Sch.2.5bn. in November, 1975, the national bank said, Reuter reports from Vienna. The largest deficit mainly reflected a deterioration in the trade position, the bank said.

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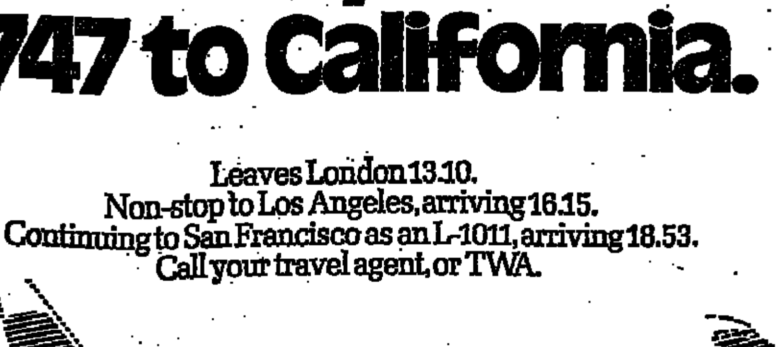

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EUROPEAN NEWS

ABU DAOUD RELEASE

Giscard rejects criticism of France

BY ROBERT MAUTHNER

PARIS, Jan. 17.

THE FRENCH President, Giscard d'Estaing, to-day angrily hit out at world critics of France's decision to release Abu Daoud, the Palestinian leader suspected of having organised the 1972 Munich massacre of Israeli athletes and said that France would accept lessons from no-one.

In an untypically sharp outburst at a news conference devoted essentially to domestic affairs, M. Giscard d'Estaing referred to an unprecedented international campaign of insults, aimed at undermining France's dignity and honour.

The sheer extent of the campaign indicated that the criticism went beyond the simple decision of the Paris Appeals Court which ordered the release of Abu Daoud. It showed that some countries did not accept France's independent foreign policy, the President said, though almost in the same breath he stressed that the decision had been based on purely legal grounds.

M. Giscard d'Estaing went as far as diplomatic decorum would allow in blaming the West German Government for not having demanded the extradition of Abu Daoud quickly enough.

He said that the West German Charge d'Affaires in Paris had been summoned to the French Foreign Ministry last Monday, three days after Abu Daoud's arrest by agents of the French counter-intelligence agency, where he told a senior French official that he had no instructions from his Government on the matter.

The West German diplomat was informed that he could contact the French official at any time of the day or night on the extradition request, but he was never called.

The President reminded his audience that, while Abu Daoud had been accused of organising the Munich killings, three Palestinians alleged to have taken part in the massacre had actually been arrested: "Where are they now," he asked in an obvious reference to the release by West Germany of the three suspects in exchange for a Lufthansa airliner and its passengers, hi-jacked by pro-Palestinian guerillas.

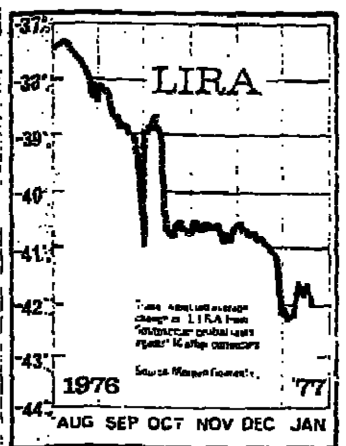
M. Giscard d'Estaing then went on to defend France's anti-terrorist policy by pointing out that the French Government had refused to accept any discrimination between French and Israeli passengers during the negotiations to obtain their release which followed last year's hijacking of an Air France airliner to Entebbe, Uganda.

Furthermore, France had arrested and immediately returned to the U.S. the Croatian extremists who had hijacked an American aircraft last year.

Addressing himself directly to the families of the Israeli athletes killed at Munich, M. iGscard d'Estaing emphasised that he understood their dismay and grief. But he explained France could not have granted an Israeli extradition request because the Munich attack was not covered by the subsequently amended 1972 Franco-Israeli extradition agreement, since it was carried out in a third country by non-Israeli subjects.

The official French explanation of the events leading up to Abu Daoud's release were to-day rejected in an interview given by a Minister of the State of Bavaria, Herr Alfred Seidl, to the French news magazine "Le Point."

From the very start, Herr Seidl said, the West German authorities had left no doubt about their determination to ask for his extradition and to take legal action against him.



Lira slips against dollar

By Dominick J. Coyle

ROME, Jan. 17.

THE Italian Lira rate against the U.S. dollar slipped some four points to-day to close at 882 in response to a further reduction, effective this morning, in both the level of compulsory import deposits and the special surcharge on foreign currency transactions.

Import deposits, extended originally for three months in May of last year at a rate of 50 per cent., were cut to-day from 40 to 25 per cent., while there was also another reduction of a half percentage point to 2 per cent. in the currency surcharge.

Dealers described trading to-day as being above average for recent weeks, while emphasising that the market was still operating artificially and with a sizeable backlog of commitments in the pipeline from import lags.

The Bank of Italy continued to-day with its selective support operations, and it is likely that the policy of recent months has been continued with the bank supplying some large customers with their currency requirements outside the market proper.

Government bid to ease tension in Basque region

BY ROGER MATTHEWS

MADRID, Jan. 17.

SPAIN'S MINISTER of the Interior, Sr. Martin Villa, will meet a delegation of five Basque mayors tomorrow in a further attempt to reduce tension in the region. The talks, which will take place in Madrid, come after a weekend of vigorous police action in which several towns were sealed off in an attempt to prevent representatives of city councils from throughout the four provinces holding their planned summit meeting aimed at co-ordinating Basque demands.

The Cabinet now admits that the Basque situation has deteriorated during the past six months, but still feels incapable of formulating a political solution before the general elections that are likely to be held in May. Tomorrow, the Interior Minister will probably be forced to concentrate on immediate issues, such as his department's decision to ban a demonstration called for next Saturday in San Sebastian in support of full recognition for the Basque language.

The organisers do not intend to be deterred by the ban which again could lead to serious confrontations between demonstrators and the riot police. Other issues to be discussed include the intention of the Basque city councils to fly the nationalist flag from town hall buildings, the continuing campaign for a full political amnesty, and the withdrawal of the para-military Guardia Civil from cities.

The involvement of the mayors and city councils in the regional campaign has added an important new element to the conflict as previously they had tended to remain at least passive. But the active support coming from these men and women, many of whom were appointed under General Franco, has given a major new impetus to demands for the restoration of the autonomous rights held before the Civil War and poses the threat of official as well as ordinary civilian disobedience to the central Government.

Meanwhile, the remarkable case of the kidnapping of the president of the Council of State, Sr. Antonio Oriol, seized on December 11, has taken an even more bizarre twist. Over the weekend the kidnappers, whose confidence seems almost boundless, took to calling journalists at their homes to explain their position.

Top level Government sources report a growing scepticism in official circles about the identity of Grapo, the supposedly extremist Left-wing organisation that claims to be holding Sr. Oriol. The respected Barcelona newspaper La Vanguardia reported yesterday that Sr. Oriol was probably being held in Toledo by six people, including two former police officers. The latest communique from Grapo, left in a Central Madrid café, again demands the release of 15 named political prisoners and warns that the organisation's patience is beginning to run out. A member of the Oriol family said yesterday that he thought the matter would be resolved "rapidly and favourably."

Prime Minister Adolfo Suarez is continuing to make a good impression in his contacts with political parties and is said to be prepared to allow them equal time on television and radio in the run-up to the general elections.

Ford plant at a standstill

BY OUR OWN CORRESPONDENT

MADRID, Jan. 17.

FORD MOTOR'S new $500m. plant at Almusafes, near Valencia, was at a standstill again to-day as the dispute over a new wages deal went into its sixth day. The company has suspended the production workers until Wednesday as a result of strike action last week.

By to-morrow night the company will have lost production of 3,150 Fiestas, its new compact car, valued at approx. £5.5m. In addition, the company is losing 1,000 engines a day although there are not yet understood to be any problems of supply to the plant in West Germany where the Fiesta is also built. Almusafes will also supply engines for the Fiesta when it is built at Dagenham.

The differences between Ford and its workers are very small. The company has offered an increase of 27.6 per cent., only Ps.7,000 (just over £6) a year now separates the two sides, according to a Ford spokesman. However, the situation is complicated by the transformation that is taking place in Spanish labour relations with the gradual disappearance of the Government-controlled labour syndicates and their replacement by the still illegal trade unions that mostly have political affiliations.

There is still no right of assembly for workers, although legislation allowing this is under discussion, and, as a result, Ford has found it difficult to make an agreement stick. The company and the works council were believed to have reached the basis for a deal last week but it was thrown out during a confused mass meeting that the company allowed to be held in the factory.

Terry Dodsworth writes: Ford U.K., which is due to launch the Fiesta early next month, said last night that production was continuing normally at present.

Problems for the British company—and for Fiesta production in Germany—could arise because of the concentration of engine assembly in Spain. But both the German and British plants are said to have an adequate stock of engines to tide them over the immediate future, and the U.K. company has built about 12,500 vehicle already for launch date.

Better F16 deal sought

By David Buchan

BRUSSELS, Jan. 17.

BELGIUM, THE Netherlands, Norway and Denmark, the four European members of NATO that are participating in the multi-national F-16 fighter programme, have decided to ask the aircraft's U.S. contractor for a better deal on the price and the amount of production work done in Europe.

This was stated to-day by Mr. Orla Moeller, the Danish Defence Minister, at a Press conference after a meeting here of the Defence Ministers of the four countries. Mr. Moeller, who took the initiative for the meeting, said there was no question of cancelling the contract, which he still hoped could be signed in final form by the end of March.

But he said that the F.16 programe, which was called the "arms deal of the century" when first agreed in 1975 and could cost as much as $6bn., was the first major step in alliance arms co-production and that the details "must be got right."

In general, it seems that the three other European countries have been largely satisfied with the price and co-production arrangements worked out with General Dynamics, although they associated themselves with Mr. Moeller's remarks. But the Danish Government evidently feels it may be getting a raw deal. According to NATO officials, the real purpose of to-day's meeting for the Danes was to find out what the other Europeans were getting from the main U.S. contractor.

Denmark is buying only 48 F-16s out of a total European purchase of 348. To-day's meeting is being interpreted here mainly at last minute. Danish jockeying for position before the ink is finally dry on the contract, and partly as a reflection of some Danish domestic opposition to the programme.

The first Danish complaint concerns price. Denmark feels that General Dynamics is unfairly loading the price of aircraft it plans to sell to Europe (to take account of the cost of co-ordinating multinational co-production) above the price to the U.S. Air Force.

Thus, Mr. Moeller claimed that the probable price originally agreed on — $5.69m. per aircraft — would now be above the agreed maximum price of $6.09m. Danish officials suspect that at least part of the loading on the European price represents pure profit for the U.S. contractors.

Mr. Moeller was also concerned that all the European participants should, as originally agreed, produce 58 per cent. themselves of the value of the aircraft they buy. While there seems no problem here for the three other European countries, it appears that Danish industry is not that well equipped to make sophisticated F-16 parts.

Bundesbank money supply plea

BY ADRIAN DICKS

BONN, Jan. 17.

A STRONG plea for both the effectiveness and the practicability of setting targets for the growth of the money supply is made by the West German Bundesbank in its latest monthly report. In once again setting out its target for 1977 of a 8 per cent. increase in the central bank money stock, the Bundesbank argues that it has let trade unions and employers know where they stand, leaving room for growth without permitting overheating.

Provisional figures published in the report show an increase in the central bank money stock of 9.2 per cent. during 1976, compared to the 6-8 per cent. goal which the Bundesbank announced a year ago. Accounting for this, the Bundesbank points to the difficulties of dealing with the extremely large sums that flowed in across the exchanges in the period leading up to the readjustment of currencies within the European "snake" in October.

Further, the Bundesbank notes with obvious relief the slower rate of increase of the central bank money stock recorded during the last weeks of 1976. During December, this aggregate was only 8.3 per cent. higher than in December 1975, compared with increases of 9.1 per cent. in October and 9.7 per cent. in November. For the fourth quarter, the increase was 9 per cent. compared with a 9.5 per cent. increase during the final quarter of 1975.

The Bundesbank points out that expectations of an absolute control over the money supply are unrealistic: even if the central bank money stock were to show no further increase this year from its level at the end of 1976, the average for 1977 would still be 4.2 per cent. above the average for 1976. Defending itself against those West German economists who think it has been too lax, the Bundesbank writes that even during the 12 months of the country's most stringent monetary restrictions, the central bank money stock showed a 5 per cent. rise.

The report underlines the West German central bank's agreement with the Government's expectation of a 5 per cent. rise in gross national product this year, coupled with a 4 per cent. price index rise. It takes a less gloomy view than some other commentators, however, of the worsening employment picture, which last month took the number of jobless back above the 1m. mark. Much of this unemployment, in the view of the central bank, was due to seasonal factors.

EEC fish licences plan

BY ROBIN REEVES

BRUSSELS, Jan. 17.

A PLAN for a Common Market system of fishing licences to regulate the activities of Soviet and other non-EEC fishing vessels inside the Community's new 200-mile limits will be put before foreign ministers of the Nine here to-morrow. The meeting will be the first to be chaired by Mr. Anthony Crosland, the U.K. Foreign Secretary.

The plan is in response to a British Government threat to introduce a national licensing system from February 1, and has been given heightened importance by the fact that Soviet trawlers are fishing at a rate in excess of the catch quota set unilaterally by the EEC Council of Ministers before Christmas.

Under the plan, the licences would be issued by the Brussels Commission, but the Soviets and others would actually receive them from member state Governments, who would also be the Commission's agents for ensuring they were adhered to.

Apart from the practical difficulties of any other kind of arrangement, the Commission plan allows the Russians and other East European countries to continue side-stepping the issue of formal diplomatic recognition of the Community, as well as providing an EEC cloak of legality for a U.K. system of licences.

Even so, to-day it remained less than clear whether the U.K. Government was in favour of giving such a strong Community dimension to the policing and control of its 200-mile limit and whether Ministers would discuss the method of enforcing the licence system to ensure Soviet fishing is kept within its quota.

Ministers will also be presented with a Commission plan for specific measures to conserve fish stocks inside the 200-mile limits, besides the system of national catch quotas proposed just before Christmas as an interim EEC internal fisheries regime.

Among other things, this scheme would prohibit vessels of more than 85 feet and 1,000 horse power from fishing within 12-mile limits, ban mother ships from 200 miles but not necessarily freezer trawlers, set rules for the type of fishing gear allowed, notably size of net, and, most important for the U.K. and Ireland, allow the creation of trawler-free zones in certain areas.

As things stand although the Council has only until the end of the month to agree the terms for an interim internal fisheries regime if it is to head off British and Irish threats to adopt unilateral conservation measures, few observers expect agreement at to-morrow's meeting. These conservation proposals will, in practice, have a marked influence on the quantity of fish some EEC fleets can catch. They can, therefore, only form part of a package which includes the quota share out of fishing in the EEC's 200-mile pond. Barring a willingness to continue the present U.K. and Irish moratorium on national action, it is not ruled out that Ministers will be driven to hold further negotiations next week.

Japan to be pressed again

By Guy de Jonquieres

BRUSSELS, Jan. 17.

EEC FOREIGN Ministers are expected to remind Japan publicly when they meet here to-morrow that they are not satisfied with the actions it has taken so far to redress the imbalance in its trade with the Community and are still awaiting further corrective measures.

According to officials in Brussels, the reminder may take the form of a statement pointing in particular to the urgency which the EEC attaches to a reduction in Japanese shipbuilding capacity and to freer access for European exports to the Japanese market.

The Foreign Ministers will also hear a brief account of the visit to Tokyo last week by a Commission team which discussed ways of increasing European car exports to Japan. The Japanese Government recently agreed that from April 1, cars destined for its market could be tested in the country of manufacture rather than on Japanese soil.

The forthcoming European tour of the new U.S. Vice-President Walter Mondale will almost certainly be raised in connection with Japanese trade and the future of the Paris North-South dialogue in which most EEC Governments believe that any fresh initiative must come from Washington.

The prospect of Portugal's application for EEC entry will also be raised in the light of the visit to Brussels last week of Mr. Constantio, the newly-appointed Portuguese chief representative for negotiations with the EEC. The Ministers are expected to discuss how they should respond to the Portuguese Prime Minister, Dr. Mario Soares, who is due to start a tour of EEC capitals next month in preparation for his Government's submission of a formal entry application.

LA REDOUTE

In his letter of December 1976 to the shareholders, Mr. Henri Pollet, Chairman and Managing Director of LA REDOUTE presented the results for the first six months of the financial year 1976/77 and spoke of the Group's activities as at November 30, 1976; he also mentioned the prospects for the year under review.

LA REDOUTE S.A.

The progression was as forecast; for the first six months of the financial year (March 1 to August 31), turnover including tax, amounted to Frs. 1,028 million against Frs. 867 million, an increase of 18.6% as compared with the same period the previous financial year.

After tax, and loss and exceptional profits, the net profit for the first six months reached Frs. 12.4 million against Frs. 10.8 million, an increase of 15% as compared with the Spring/Summer 75 period.

After a slowdown in orders at the end of September and in October, orders increased again; an absolute record of orders was reached on November 15, with 108,000 orders.

During the first nine months of the financial year (March 1, November 30), the turnover reached Frs. 1,780 million, showing a 15% progression; an increase of that order is expected, for the whole of the financial year as much as to the level of the turnover as to the results.

BRANCHES AND SHAREHOLDINGS

At November 30, 1976, the turnover for the French branches, indicated the following progress:

SOCIETE NOUVELLE D'EXPANSION REDOUTE: Frs. 78.25 million (an increase of 52.7%). At the beginning of September the S.N.E.R. increased its sales points to twelve, by opening two new shops in Nice and Strasbourg.

PREMAMAN: Frs. 89.84 million (an increase of 34.6%).
FINAREF: Total of invoiced interests: Frs. 83 million (an increase of 20%).

The turnover of **EDICLUB-ROMBALDI**, specialised in the Culture-Leisure activities showed a decrease of 3.4%.
Abroad, for the same period, the turnover of **SARTHA** (Belgium) and **VESTRO** (Italy) indicated a progression of just over 17%.

The Chairman, Mr. Henri Pollet, indicated that the consolidated turnover came to Frs. 1,283 million as at August 31, 1976 against Frs. 1,060 million for the same period the previous year. On November 30, 1976, the turnover was up by 16% reaching Frs. 2,157 million and should keep the same level of increase, for the turnover and results, until the end of the financial year.

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AMERICAN NEWS

Ford's $22bn. cuts unlikely ever to be made

BY DAVID BELL

WASHINGTON, Jan. 17

THIS year's budget briefing for reporters was a sombre affair. Last year an ebullient President Ford himself guided reporters through the 2,000 pages of budget detail. But he was at his retreat at Camp David this weekend for the last time as President and the officials who took his place were clearly aware that within a few days, they too will be out of office.

Today's budget is likely to be altered substantially by the new Carter administration, which will probably spend around $10bn. more in fiscal year 1978 (starting in October 1977) than the $440bn. proposed by President Ford. His tight budget allows for only 7 per cent. growth in dollar terms and much less in real terms.

Mr. Ford, emphasising to the last the Republican commitment to slowing down the growth in federal spending, presupposes some $22bn. worth of cuts and modifications including the phasing out of the existing $2bn. public works programme and modifications in the government health care scheme for the old. But these and much else will probably be ignored by the Carter budget team which now has six weeks to propose amendments if it is to adhere to the strict Congressional budget timetable introduced for the first time last year.

United States Budget

The new administration will, to start with, have to adjust the budget to take account of its newly announced two-year $30bn. package of tax cuts and jobs creation programme which has already "upstaged" the Ford budget proposal of a $12.5bn. one year tax cut.

The Carter team will also want to make room for fresh spending on jobs and on aid to the cities and states and Congress may well add and subtract additional programmes of its own further to complicate the picture. These and other changes will greatly alter the face of the Ford budget.

But some 85-90 per cent. of this budget cannot be changed without changes in the law and Mr. Carter's room for manoeuvre is not that great. This budget would mean a deficit of about $47bn. in 1978 (compared with an estimated $57bn. this year) and the Carter deficit is bound to be above that. The Carter team will therefore be wary of proposing too many new programmes until the economy has improved further.

In two areas, however—defence (up $13bn. to $123bn.) and energy (up $4bn. to $14bn.) the budget may not be greatly changed. Both are discussed in greater detail below and in both areas this budget at least provides a framework from which the Carter administration is going to have to operate.

Health, Education and Welfare, with total projected spending of $160bn., remains the largest department in the Government and its budget may be increased further as Congress adds its proposals to those made by Mr. Ford and Mr. Carter. But in terms of overall numbers the Carter budget may not in the end be all that larger than Mr. Ford's although last year Congress added an extra $26bn. to Mr. Ford's $395bn. proposal.

Defence: move to match Soviets

HALF OF the $13bn. increase in the defence budget is designed to take account of inflation. But the other half represents an increase in real spending "in the face of the continued growth of Soviet military capabilities."

The decision to increase the defence budget follows a wide-ranging defence review inside the Administration and growing concern outside it about the continuing Soviet build-up. Dr. Harold Brown, the new Defence Secretary, spoke last week of the need to "learn to live with ambiguities" about Russian intentions, but the new Administration certainly shares some of the concern.

Dr. Brown also sought to rephrase Mr. Carter's campaign pledge that he would shave some $5-7bn. off the defence budget on taking office. He implied that this was a long-term goal but that it would be difficult to make the cuts so soon after taking office. It is, of course, much too early to say what he will want to do to the defence budget. But Mr. Ford's proposals are important if for no other reason than that they succinctly lay out his options.

Dr. James Lynn, the director of the office of management and the budget who leaves office on Thursday, said the defence budget was built on the assumption that there would be a new strategic arms agreement with the Soviet Union along the lines of that proposed at Vladivostock. But he would not be drawn further on this.

The budget stresses the need to improve conventional weapons, strengthen NATO and improve missile technology. It recommends the introduction of the first eight of 244 B-1 bombers ($2.15bn.) further intensive development of the long-range, low-flying Cruise missile ($399bn.) and the start of full-scale development of the M-X, a new land-based intercontinental missile ($294m.) for "possible deployment" by the mid-1980s.

The purchase of the new generation of aircraft is also provided for, including the Hawker Harrier, a new and improved version of which is now under development. As expected, work on the other conventional weapons, including the XM-1 tank, which may possibly be built jointly with Germany and Britain is slanted to go ahead.

The budget does propose some reduction in defence spending but they are much smaller than the figure suggested by Mr. Carter during the campaign.

But given the new-found caution inside the new Administration about large cuts this year, the final defence budget may be quite similar to this one. Major cuts—and the Carter people are looking particularly hard at the support and maintenance costs that comprise half the budget—may well come only in subsequent years. For now, Dr. Brown will have to face the difficult options—like the B-1 bomber—that Mr. Ford has left

ENERGY

All federal agencies will be grouped under Schlesinger

IN THE CLOSING days of his Administration, President Gerald Ford has proposed a reorganisation of the federal energy departments similar to that under consideration by Mr. Jimmy Carter, the President-elect.

The new department would draw together all the existing agencies under Mr. James Schlesinger. It will take some months to form. But that should not unduly effect the proposals put forward by Mr. Ford for a sharp increase in spending on federal energy research.

Spending on energy, including the establishment of a Government petroleum reserve, would rise by about $4bn. to $14bn. The budget provides for "major cost shared research activities in technologies to recover oil from shale" and calls for a programme of federal loan guarantees to encourage the rapid development of new technology, particularly in the fields of coal-burning, coal slurry pipelines and synthetic fuels.

The budget also earmarks 58 per cent. more ($313m.) for new research into ways to deal with nuclear fuel waste and to develop a "fuel cycle for the breeder reactor which would significantly reduce or eliminate any proliferation risks associated with breeder reactors."

About $500m. would be spent on fusion research (a 34 per cent. rise) and about $879bn. (23 per cent. more) on the Liquid Metal Fast Breeder Reactor with the aim of deciding by 1986 whether it is commercially feasible.

Brazilian moves to cut sales of petrol

By Sue Branford

SAO PAULO, Jan. 17.

THE BRAZILIAN government has announced a series of measures through which it intends to "rationalise, not ration, oil consumption."

The most important is a compulsory deposit of 2 cruzeiros (9p) per litre of petrol, and Crs.250 (£12) per metric ton of fuel oil, to be paid by the consumer. The deposit will be returned to the consumer, after two years, without payment of interest or indexation. Other measures include a 50 per cent. increase in road tolls for private cars at week-ends, additional regulations to limit the access of cars to the centre of cities, the setting up of a system of staggered working hours, and the gradual increase in the price of diesel and fuel oils. It is estimated that the new measures will lead to a saving of about $120m. in oil imports.

The consumption of diesel oil, which has been exempted from the deposit, is likely to grow rapidly in 1977. Even before the new measures, this trend was clear. Preliminary estimates from the National Oil Council suggest that the consumption of this oil grew 12 per cent. in 1976, as compared with an increase of only 1 per cent. in petrol consumption. It is thus likely that, while imports of crude oil may fall slightly, foreign purchases of diesel oil will rise considerably.

The compulsory deposit will greatly boost public funds, bringing in at least Crs.35-40bn. (£1.7-£1.9bn.) this year, which is about 15 per cent. of the total money supply. The government is planning to invest about two-thirds of these funds in improving public transport.

There is no consensus of opinion as to the impact of the measures on the rest of the economy. Planning Minister Reis Velloso, has emphasised the positive aspects of tightening the money supply. "As the government is going to feed back into circulation only part of the money, the deposit will have a strong anti-inflationary effect." However, businessmen strongly disagree. Sr. Einar Kok, president of the Brazilian Association of Machinery and Equipment Manufacturers, spoke of "strong inflationary effects" and "increases in costs for most companies."

The Government's decision to "rationalise" oil consumption was taken in view of the trade gap, which was about $2.6bn. in 1976. Brazil spent about $3.9bn. on oil imports last year, which was equal to about 40 per cent. of the country's total export earning. Oil self-sufficiency is still a distant dream. Brazil had an average daily oil production of 170,000 barrels in 1976, which was only 19 per cent. of total consumption. This was slightly down on production in 1975, and it is not believed that a substantial increase will be achieved in 1977.

Venezuelan oil output to rise

By Joseph Mann

CARACAS, Jan. 17.

VENEZUELA will raise crude oil production by about 100,000 barrels per day this month in order to replenish its presently depleted stock and will maintain output at an average of 2.3m. barrels per day for the rest of the year, the Government said.

As OPEC's third largest oil exporter, Venezuela last year produced an average of 2.3m. barrels per day, down sharply from the 1974 level of 3m. barrels daily.

The increase to 2.4m. barrels per day this month will be temporary, according to Petroleum Minister Valentin Hernandez, and the Government plans to keep production in its nationalised industry at 2.3m. barrels per day for the remainder of the year.

Gilmore executed after more appeals fail

BY DAVID BELL

WASHINGTON, Jan. 17.

AFTER A NIGHT of last-minute legal attempts to prevent the execution in the state of Utah of Mr. Gary Gilmore, he was shot dead by firing squad this morning and thus became the first person to be executed in the U.S. in nearly ten years.

The execution was surrounded to the end by the enormous publicity that has accompanied the case these past weeks. Another man is scheduled to be executed, by electrocution, in Texas on Wednesday. His death is likely to be filmed for television.

There are also about 350 more people under sentence of death in the U.S. Their cases are being reconsidered in the light of last year's Supreme Court ruling in favour of the death penalty under some circumstances.

The last night of Mr. Gilmore's life was as confused as the last few weeks have been. At 1 a.m. to-day a federal judge issued a temporary 10-day stay of execution, the latest of a number of such delays. But Utah officials and at least one federal judge flew 400 miles from Salt Lake City, the state capital, to Denver, in Colorado, where a three-man federal appeals court, at breakfast time, overturned the ruling. Two later appeals to Supreme Court justices in Washington failed, one of them only a minute before he was due to die.

A large crowd of reporters remained outside the prison throughout the night and were kept informed of Mr. Gilmore's state of mind each hour by prison authorities. This confirmed Mr. Gilmore's status as a celebrity but also served to add the final unpleasant touches to the mountain of publicity that has surrounded the case.

Mr. Gilmore had sold his life story to a literary agent who was among the four independent witnesses who saw him die. The four held a sombre news conference after his death and reported, along with a number of other details, that he had met his end bravely and without flinching.

Mr. Gilmore, who had been convicted of killing one man and charged in connection with the death of another, had consistently asked to be allowed to die and last year tried to kill himself when his execution was delayed.

However, most of the hundreds of others under death sentence do not share this wish. Until to-day many of them had been fairly optimistic that they might avoid execution, but reports from prisons this morning suggested that Mr. Gilmore's death had a profound effect on them. Some of them have been awaiting ruling on their sentences for years and now seem for the first time to be really worried that they may be executed.

Opponents of capital punishment have been outraged by the continuing publicity and the way in which the news media have covered the case. But they concede that at the moment polls show that more than two-thirds of the American people are in favour of capital punishment. Miss Deborah Levy, a leading opponent of capital punishment, said to-day that she hoped that the execution would make people "disgusted with the barbaric practice of human sacrifice."

The state of Florida, with 80 criminals under sentence of death, and Ohio, with 60, are the two states with the most number of people awaiting execution. They are now expected to press ahead with their plans.

However, there is unlikely to be any sudden burst of executions because capital punishment laws in most states are still being challenged, and in any case, the Supreme Court ruled in favour of a detailed review being made in every case before the death sentence is carried out.

Accountants criticised

BY STEWART FLEMING

NEW YORK, Jan. 17.

GREATLY increased Government supervision of the U.S. accountancy profession, to make accountants more independent of their clients and more responsive to the public interest, is called for in a study by staff of a Senate sub-committee released to-day.

The study provides one of the most detailed analyses ever of the accounting profession and the so-called Big Eight firms which dominate it both in the U.S. and in Britain.

These firms, which include Price Waterhouse and Co., Peat Marwick, Mitchell Coopers and Lybrand, Arthur Andersen and Co., Touche Ross and Co., Arthur Young and Co., Haskins and Sells, and Ernst and Ernst, are depicted as highly profitable. The study estimates their annual revenues at $2bn. and their net profits at over $500m.

The Big Eight audited 85 per cent. of the 2,641 companies listed on the New York Stock Exchange or the American Stock Exchange, according to the study. Price Waterhouse, it says, is particularly significant. It audits companies with 24 per cent. of total sales of all companies listed on the New York Stock Exchange.

The report is particularly critical of the self-regulation in the accounting profession, and also of the Securities and Exchange Commission for allowing the profession to set its own accounting rules.

Its recommendations include greater federal control of the profession, mandatory annual disclosure by the 15 largest U.S. accountants of "basic operational and financial data" and a suggestion that the U.S. anti-trust authorities should investigate whether too much work for major corporate clients is done by too few accounting firms.

Tanker decision awaited

BY OUR OWN CORRESPONDENT

NEW YORK, Jan. 17.

A spokesman for Mr. Elliot Richardson, the U.S. Secretary of Commerce, said to-day that a decision on whether Mr. Richardson will approve U.S. Government loan guarantees of some $700m. for seven liquefied natural gas tankers that General Dynamics is building for Burmah Oil will not be announced until to-morrow at the earliest.

There is already speculation in the stock markets both in London and New York that the decision will, when it comes, be favourable to Burmah and General Dynamics. And in a long analysis of the controversial financing of the tankers for which the guarantees are being sought, the Washington Post says to-day that President-elect Jimmy Carter's designated Secretary of Commerce, Mrs. Juanita Kreps, has agreed that Mr. Richardson should make the decision.

The question of whether the U.S. Government Maritime Administratio nshould give loan guarantees for the tankers which Burmah will use to carry LNG from Indonesia to Japan has been a source of intense controversy ever since a report in the New York Times alleging that the initial applications for guarantees were fraudulent because of questions about the U.S. citizenship of the applicants.

Le Bal paré (the Allemande) engraving by Duclos

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Namibia constitution hope as conference reconvenes

BY QUENTIN PEEL

JOHANNESBURG, Jan. 17.

THE SOUTH AFRICAN-sponsored constitutional conference on Namibia (South-West Africa) is due to resume to-morrow (Tuesday) amid reports of a breakthrough in its plans to form a multi-racial government in the disputed territory. Lawyers representing the 11 different tribal and ethnic groups taking part in the Turnhalle talks in Windhoek, the Namibian capital, have finally agreed on a draft constitution for an interim government.

According to reports from Pretoria, where the lawyers held their final meeting at the week-end, the document provides for a multi-racial central government which will retain "most of the important and effective powers." But the compromise still allows for residual powers, such as education to be vested in a second tire of ethnically-based councils, while a third tier of local councils will be responsible for parochial affairs.

There is no guarantee that the draft will be acceptable to the 44-member constitutional committee when it reconvenes tomorrow. But there is no doubt that the South African government will be applying its influence to ensure acceptance. Already the Turnhalle talks have dragged through six sessions spread over 16 months. When they were adjourned in December, they were effectively deadlocked, in spite of numerous leaks suggesting an imminent solution. When a delegation from the conference flew to Pretoria for a meeting with Mr. Vorster, the South African Prime Minister, they were reportedly given an ultimatum to speed up their deliberations.

The need for a positive result is becoming increasingly urgent for Pretoria. As long as South Africa governs Namibia in defiance of UN resolutions demanding its withdrawal, it is dependent on the veto of the U.S. or other western countries in the UN security Council to prevent drastic international action against itself. At the time of the Southern African mission by the U.S. Secretary of State Dr. Kissinger last year, there were high hopes for a settlement in Namibia, which would include the liberation movement given the exclusive support of both the UN and the Organisation of African Unity—the South-West African Peoples' Organisation, SWAPO.

If the latest draft is approved by the constitutional committee, its acceptance by the full conference would be a formality. And, in February, the South African government could be asked to pass the necessary enabling legislation allowing an interim government to be formed.

The insistence of SWAPO that it would only negotiate directly with the South African government, ignoring the "Turnhalle stooges," and Mr. Vorster's refusal to come to the conference table as anything but an observer, ended such hopes. Now Mr. Vorster seems to be relying on Turnhalle to enable him to outmanoeuvre both the UN and the OAU, and thus SWAPO. If he can persuade the participants to come up with a suitably attractive, and ostensibly multi-racial, independence package, which will provide for a form of elections within the country, he hopes simultaneously to nullify the popular support for SWAPO and its guerillas, and win international backing for the end product.

The terse military communiques issued in Pretoria give little clue as to the extent of the fighting in the Namibia border area, but diplomatic and military observers agree that only divisions within SWAPO, and unrest in the guerillas' base area of southern Angola, have prevented a much more rapid escalation. The latest unsubstantiated reports suggest that a new SWAPO base has been opened, provided with large quantities of arms, including surface-to-air missiles and armoured cars.

South Africa's huge defence budget is already having disastrous effects on the country's balance of payments. But the delays at Turnhalle reflect the real problems of getting even moderate ethnic leaders to agree on a constitution, which must be capable of drawing support away from SWAPO. Even the latest draft appears to leave large areas for conflict. The key question remains as to just how much power will be given to the multi-racial central Government, and thus to what extent the ethnic councils will be cosmetic.

The question of land distribution is also still unresolved. The hard-line white representatives at the talks, National Party leader, Mr. A. H. du Plessis, and vice-chairman Mr. Eben van Zijl, insist that only new residential areas should be open to racially mixed ownership, while the existing areas remain separately developed. The black and coloured delegations want all areas opened.

Finally there seems to be no agreement on what form elections should take, both to approve the interim constitution and to elect the subsequent central and ethnic administrations. The Ovambos represent 46 per cent. of the population, and might insist on proportional representation, while the minority groups, such as the Hereros, want an equal number of representatives for each group (as the constitutional conference itself is composed). Whatever form an election takes, it would probably be boycotted by SWAPO, leaving unresolved the question of who has the greatest popular support. Without the inclusion of SWAPO, the independent state is unlikely to win any more international recognition than the Transkei—that of Sotuh Africa alone.

Mr. Vorster, however, must still be banking on two vital elements. The West has an interest in Namibia's uranium being mined by Rio Tinto, and in the country's gem diamonds and other minerals. At the same time, ties between SWAPO and the Angolan Government and its Soviet allies have developed rapidly.

Miguel Suarez reports on the winding down of the Philippines Moslem revolt

Bartering peace for the Arabs' goodwill

FOUR YEARS after it broke out, the Moslem rebellion in the southern Philippines is finally winding down following an agreement on general principles between the Philippine Government and the Moro National Liberation Front granting Filipino Moslems autonomy in running their affairs. A final peace settlement is scheduled to be signed here on April 7, but between now and that date all indications point to rough sailing ahead.

While the general agreement arrived at after the first round of talks in Tripoli, Libya, last month provides for the "establishment of autonomy . . . within the realm of the sovereignty and territorial integrity" of this predominantly Catholic country, the interpretation of the term "autonomy" remains vague. However, President Ferdinand Marcos has repeatedly stated that the autonomy to be granted the Moslems would be a "limited one."

Evidently a wide chasm on the matter of the degree of autonomy and other details still separates the position of the Government and that of the MNLF which, enjoying strong material and moral support from Libya, was initially bent on secession or at least a federalised state with an army of its own.

Plebiscite

Of the 16 points agreed on in principle thus far, only one appears to have been settled; that foreign policy shall be the responsibility of the central government. The rest, including defence, education and the judiciary, as well as the finance and economic systems and their relationship to the central system, have yet to be thrashed out. The second round of talks, scheduled in Tripoli from February 5 to March 3, promises to be even more stormy than the first round in December.

A major difficulty, even more than the idea of autonomy itself, is to establish the exact areas to comprise the Moslem autonomous region. A plebiscite is to be held in 13 southern provinces where the Moslems are concentrated to determine which of them want to join the envisaged autonomous region. Of the 13 provinces, the Moslems are in the majority in only five, and it is not known to what extent the MNLF will abide by the results of the vote. They initially opposed it.

Meanwhile, a ceasefire has gone into effect. Military authorities report "some disturbances" but these are not considered violations on the presumption that not all rebel units have received the order to stop their operations. The ceasefire is to be supervised by a joint Government-MNLF-Islamic conference committee.

More than 10,000 civilians including women and children—Moslems and Christians alike—died in the fighting, some of them gorily. The toll on the Government side stands at around 2,000, perhaps even more, while rebel casualties, presumably much bigger, are still undetermined. Refugees, now estimated at about 500,000, at one point exceeded 1m.

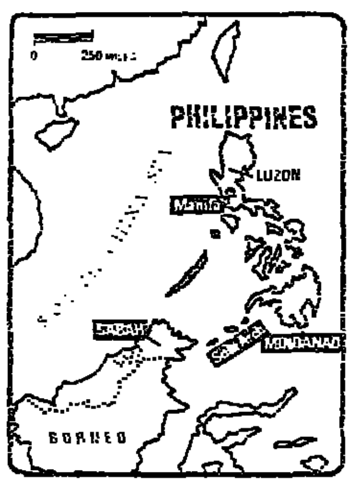
The revolt centred on Mindanao Island and the Sulu Archipelago, 500 miles south of Manila. Once dubbed the "land of promise" because of the fertility of its soil and the richness of its resources, Mindanao has been historically a Moslem region in a predominantly Christian country where Moslems number around 2m. out of a total population of 42m. Christian migration from the north over the years has displaced Moslems, with disputes inevitably resulting.

At the heart of the Moslem unrest is widespread ignorance and an impoverished economic state, aggravated by long years of neglect by the Christian central Government of the many problems that plague the region.

Historically, the Moslems, comprising about ten unorganised ethnic groups but united by a common faith, have never truly been part of the Filipino nation. They resisted all the efforts of the Christian politicians in the north to include Mindanao in the Philippine commonwealth preparatory to the grant of independence to the entire archipelago.

Mindanao, its richly endowed 63,748 square miles largely undeveloped, accounts for 100 per cent. of the Philippines' production of natural rubber, banana and pineapple, more than 50 per cent. of coconut and corn, 50 per cent. of fish and 20 per cent. of rice, not to mention an abundance of mineral deposits.

The rumblings of secession first surfaced in the late '60s but went unheeded until they finally



exploded into a full-blown revolt for self-rule in October 1972, barely a month after Mr. Marcos brought in martial law.

Spearheading the revolt was the secessionist MNLF, until then unheard of but obviously well organised, armed and funded. High-powered firearms allegedly passed to the MNLF through Sabah (formally British North Borneo and now the East Malaysian State) which was also allegedly the rebels' training ground and sanctuary. The arms smuggling was believed to be financed by Libya, whose President, Col. Muammar Khedaffi, had openly expressed support for the uprising.

President Marcos himself once described the Mindanao fighting as reminiscent of the Second World War, with the Philippine armed forces employing both aerial strafing and naval bombardment and even resorting on one occasion to the use of destructive napalm.

At the start, Government forces were outnumbered by the estimated 40,000 rebels. But as the pressure eased in the north, where the Government was fighting another insurgency, that of the Maoist New People's Army, more and more battalions were poured into Mindanao.

The year 1975, when the first formal talks between the Government and the MNLF bogged down in Jeddah, Saudi Arabia, told heavily on the rebel camp on account of several factors. The Government pressed its programme of attraction, granting rebels total amnesty and economic loans in exchange for their surrender. Along with this was an economic development programme with a budget of 500m. pesos (about \$67m.). Then, too, came the downfall of Tun Mustapha, the Filipino-born chief Minister of Sabah who had until then been believed to be the vital link between the MNLF and Libya.

To-day, more than 26,000 rebels are claimed by the Government to have returned to its fold.

The MNLF are apparently unable to score a military victory and relative peace is gaining ground in Mindanao.

So why has the Government initiated peace talks at this time? Observers point to a number of factors, mostly economic.

First, there is the question of petroleum for which the Philippines depends so much on the Arabs. Secondly, the Philippines, faced with the enormous task of industrialisation and economic development but lacking the funds to finance it, is eager for Arab funds. But the overriding consideration still is that the fighting has not only set back development efforts but eaten up precious resources that would otherwise have been spent on industrialisation.

Informed sources say Mrs. Imelda Marcos, the President's wife, who opened the way for the peace talks with her visit last November to Libya, had obtained Col. Khedaffi's commitment to invest in the Philippines, particularly Mindanao, provided the Philippine Government first agreed to grant the Moslems some concessions and that, on the other hand, the MNLF would also tone down its original demands.

Under the autonomy agreement, Moslems will be allowed to set up their own Shariah courts according to the Islamic code as well as Madrasah schools. The relationship of this Moslem judicial and education system with the overall national system has still to be thrashed out and substantial difficulties are expected in the discussions considering that of the total 6,056,961 population of the 13 provinces envisaged to make up the autonomous Moslem region, 68.9 per cent. is Christian, including other non-Moslem ethnic minority groups. Even in the five provinces where Moslems are in the majority by an average 76.6 per cent., the non-Moslem minority is substantial, and they are not expected to accept the Islamic system that easily.

The "special regional security forces" which, according to the agreement will be set up in the Moslem region, would actually be a police force under the supervision of the Philippine armed forces, say Government officials. But the relationship between these forces and the central security forces is to be fixed later. Equally left open for decision—and a potential minefield of dispute—is the exact allocation of financial resources, mineral wealth and administrative responsibilities.

Participation

Aside from these demands, the MNLF has asked for and in principle been granted more participation in the national government, the armed forces and the judiciary, heretofore almost exclusive domains of the Christian northerners.

What makes future talks harder for the Philippine Government is that the last negotiations were not really with the MNLF itself, which no longer is in the position of strength to bargain it had from 1973 until the early part of 1975, but with Libya. President Marcos himself has said that the success of the first round was due to a very large part to the "intervention" and "supervision" of Col. Khedaffi and his Government.

Lebanon banks officially reopen

BY IHSAN HIJAZI

BEIRUT, Jan. 17.

FULL banking operations were resumed here to-day for the first time in 10 months. Lebanon's 74 private banks opened for business with the Arab League deterrent force and red-berreted Lebanese policemen standing on guard duty in the banking street in the downtown business area.

But there was no run on the banks, and the queues in front of central offices were not long. For security reasons, only a few people were allowed inside the bank at a time.

A number of banks had operated from their branch offices throughout the recent conflict. But many of them wanted the amount of money that could be withdrawn. Now, all of clients' demands must be met in full.

The Bank of Lebanon, the country's central bank, has provided the liquidity required by all the private banks.

Of the 4 banks, 29 are wholly owned by Lebanese, 14 are foreign banks five are Arab-owned, and the rest are mixed ventures by Lebanese, Arab and Foreign capital.

According to available statistics, private banks held deposits totalling about £Lebanese10bn. (approximately £2bn.) at the end of June, 1975, three months after the conflict started.

Over 50 banks around the world had had representative offices here since Beirut was the Middle East's banking and financial centre. Dr. Naaman al Azhari, Vice-President of the Banks Association, is confident Beirut will be able to resume this role once full stability is re-established.

Meanwhile, the Prime Minister, Dr. Selim al Hoss, has declared that Government policy for revitalising the economy is to extend loans to harmed businesses and not to pay outright compensation.

Hong Kong governor's extension

The Governor of Hong Kong, Sir Murray Maclehose, has had his term of office extended by one year, so that he will stay in office until November 1978, Philip Bowring writes from Hong Kong. This means that Hong Kong will have to wait at least another year before finding out whether London's next appointment gives any clue to how the British Government views its future.

Libyan oil posts

Libya is pushing ahead with its programme of handing over jobs in its petroleum industry to Libyan nationals, writes Godfrey Grima from Valletta. According to official sources Oil Minister Ezzudin Mabrouk yesterday presided over the setting up of two committees, one to draw up a comprehensive plan on training programmes for some posts and the other "to consider and solve problems of workers in the oil

Tanzania airline claim

A Kenyan newspaper said yesterday that the Tanzanian Government had ordered nine Fokker Friendship aircraft to start a national airline, Reuter reports. A front-page report in the newspaper Daily Nation quoted informed sources in Nairobi for its report.

Israeli trial begins

BY L. DANIEL

TEL AVIV, Jan 17.

THE TRIAL opened here to-day of Mr. Asher Yadlin, former director of the labour federation's sick fund and, at one time late last year, Governor-designate of the Bank of Israel, the country's central bank.

As Yadlin is currently in hospital, the proceedings were purely formal. The charge sheet was not read out, but Mr. Yadlin's attorney told the court that his client had read it and pleaded not guilty to all charges.

Meanwhile, traces of oil have been found in a well being drilled onshore by the Israeli National Oil Company at A-Tur, in southern Sinai, on the Gulf of Suez.

● The Israeli Government has devalued the Israeli pound by 2 per cent. Its new rate against a five-currency basket, comprising the U.S. Dollar, Sterling, the German Mark, the French Franc and the Dutch Guilder, will be 9.07 instead of the present 8.90.

India Communists appeal

BY K. K. SHARMA

NEW DELHI, Jan. 17.

THE COMMUNIST Party of India, which continues to be attacked daily by Sanjay Gandhi and Congress leaders, has sought consultations between the Government and the Opposition with a view to "normalising the situation" and bringing an early end to the emergency.

This is considered here as a feeble attempt at a comeback by the Communists, who find they are now no longer acceptable to the establishment—which is clearly moving away from them—or to the other opposition parties. In a thinly veiled resolution the Communists sought co-operation with the Marxists, with whom they broke soon after the Russia-China split.

Pakistan opposition move

BY IQBAL MIRZA

KARACHI, Jan. 17

THE PAKISTAN National Alliance, formed by the nine opposition parties to contest the March 7 general elections, has chosen Maulana Mufti Mahmud as president of the alliance.

At a Press conference, Mufti Mahmud said that the nine components of the alliance would not contest the election to the national and provincial assembly seats in Baluchistan. As long as troops were stationed in the province, free and fair elections were unimaginable, he said. The alliance would fully participate in the polls in the remaining three provinces.

The opposition leaders stressed the need for unity, and said that, if the elections were not held in a fair atmosphere, the opposition would not accept the results.

Nigeria contemplates borrowing

BY JAMES BUXTON

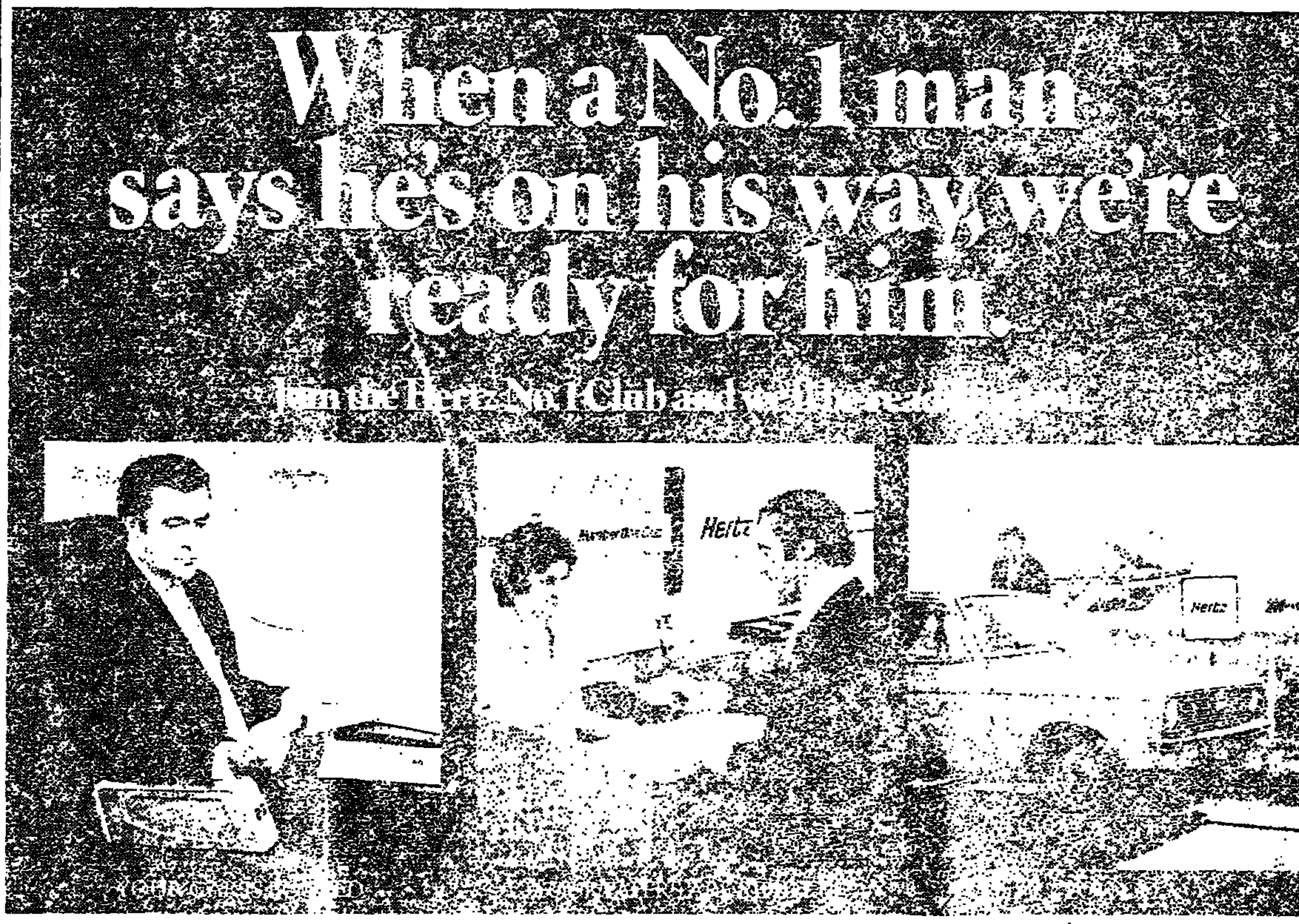
LAGOS, Jan. 17.

NIGERIA, with virtually static foreign exchange reserves and ambitious development plans, has held exploratory talks with leading financial institutions with a view to borrowing off-shore to finance development projects, according to a senior government official here.

So far, no project for which international borrowing would be necessary or appropriate has reached a sufficiently advanced stage to make the raising of a specific loan feasible. But a projected liquified natural gas plant to be built by Shell and BP with 60 per cent. government participation, at a cost of between \$2bn. and \$3bn., is almost certain to be partly financed by an international loan. Other major projects include the renovation of the country's railway system, the first phase of which is likely to cost about 1bn. naira. Parts of this work have already been put out to tender. Major spending is expected in electricity generation and communications.

Nigeria's balance of payments may show a small current account surplus for last year, but reserves, officially stated last August at 3.8bn. naira (the last date for which official figures are available here) have barely increased over the previous year. The Government aimed to peg its spending for the current financial year at 5.5bn. naira. It envisages spending up to 40bn. naira in its current development plan, which runs to the end of this decade. But, even if it does not achieve this level of expenditure, borrowing is still likely to become necessary.

Government officials stress that Nigeria is likely to go to the world financial market, at a time when it could still pay for its development spending out of income, in order to establish its standing in the market. The talks with foreign financial institutions, which Nigerian officials have already conducted, apparently took place outside the country. But the foreign banks represented in Nigeria, which include a strong British and U.S. presence, would be involved in any financing operation.



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WORLD TRADE NEWS

Textile imports continue to threaten EEC industry

BY ADRIAN DICKS BONN, Jan. 17.

A PERIOD OF consolidation, rather than recovery, faces the European artificial fibres industry this year, and will force it to undertake further structural reforms, according to the latest comments on the industry's world-wide situation by Enka Glanzstoff, the chemical fibres subsidiary of the Dutch-based Akzo group.

Reviewing developments in 1976, the company notes that total production of chemical fibres did manage to increase by 15 per cent. to a new record level of 12.3m. tons. By comparison with the 10.6m. tons produced in 1975, this was a relative improvement and enabled West European manufacturers to achieve the largest year-to-year improvement with a gain of 20 per cent.

More significant, in Enka Glanzstoff's view, is the comparison with 1974. West European, U.S. and Japanese producers each came within a few thousand tons last year of the same output they had achieved in 1974 before the recession.

Yet Third World producers, mainly those in South Korea, Taiwan and Hong Kong, increased their production by 1m. tons, from 3.2m. tons to 4.25m. tons, during these two years.

The Enka Glanzstoff study appears to see little alternative to further consolidation by the "rest of the world" of its share of the market. In part, it states, this view is reached because the growth of demand for textiles seems likely to remain less rapid than in the past.

But for European producers, the decisive factor appears to be the continuing pressure of imports, which in recent years have been rising more rapidly than actual consumption in West European markets.

"Although the world textile agreement ought to keep the import flood within orderly limits," the company writes, "in order to make it easier for the European textile industry to reorganise . . . the agreement has brought Europe little relief so far."

Enka Glanzstoff sees the section of the industry dependent on clothing as being the most vulnerable, as is borne out by the evolution of production patterns over the past few years.

By contrast, chemical fibres made for household textiles appear less vulnerable, while the outlook is favourable for specialised fibres, such as those for motor tyres and for other industrial applications requiring high-strength yarns.

Car sales slump in South Africa

BY QUENTIN PEEL JOHANNESBURG, Jan. 17.

NEW VEHICLE sales in South Africa last year slumped by 17 per cent., and new car sales alone by more than 19 per cent., according to figures released by the National Association of Automobile Manufacturers.

It is estimated that the industry as a whole suffered losses of up to R20m. (£13.3m.) over the year, and projections for the current year suggest that the market will show only a marginal improvement.

But sales did improve towards the end of the year, according to the industry's figures, with most manufacturers showing improvements in December over the worst November figures since 1967, although the month was still 9.9 per cent. down from December, 1975.

Leading manufacturer was the South African-owned Datsun-Nissan organisation, which sold 45,000 out of a total of 300,000 commercial and passengers vehicles. Second place went to Ford, with 43,653 units.

Datsun's success is attributed to its small economy 120Y and 140Y models, and other top sellers included General Motors' new Chevair, and the Volkswagen Beetle.

Over the year as a whole commercial vehicle sales declined rather less than passenger vehicles—by some 14.5 per cent. but Department of Statistics figures for the first nine months' registrations show commercial vehicles in that period down almost 20 per cent., passenger vehicles down almost 22 per cent., and tractors down more than 30 per cent.

Manufacturers are still gloomy about their prospects for profits in the coming year, in spite of a 15 per cent. price rise which is planned. They estimate that the margin on passenger vehicles has been cut from 0.5 per cent., to 0.1 per cent., or even a negative figure.

MAN talks continue on plant for Algeria

Maschinenfabrik Augsburg—Nuernberg, the leading West German engineering, machine tools and commercial vehicles group, confirmed that it is continuing talks with Algeria about the eventual establishment there of a heavy vehicles industry.

Although MAN said it had been discussing the project for "a long time" with the Algerian authorities, it has not so far given away more than the barest outline of what might be involved.

The time span contemplated would apparently be 10-12 years, during which a consortium of West German companies under MAN's leadership might expect to get the lion's share of an investment worth as much as DM5bn. (£2bn.).

The eventual production sought by the Algerians is in the region of 30,000 vehicles a year, including lorries and buses.

As many as three separate plants are under discussion, including facilities for manufacturing gearboxes, transmissions and components as well as final assembly.

The exact product mix has apparently not yet been decided, and it is also not clear which West German companies in addition to MAN itself might be involved.

Helsinki underground

The Swiss Schindler Group has received a large-scale order for delivery of 33 escalators for the new Helsinki underground railway. Production of the escalators, delivery of which is to begin this year, will be by the group's Austrian subsidiary, Wertheim.

Oman contract

Snamprogetti and Saipem, companies of the ENI Group, have been awarded by the Government of the Sultanate of OMAN a contract for the construction of a 325-km.-long pipeline which will transport natural gas from Yibal to the Capital area. It includes the construction of a gathering system for the gas extracted from five wells, a treatment unit and a metering terminal station.

Credit for Spain

The Export Credits Guarantee Department has guaranteed a £2m. line of credit which Lloyds Bank International has arranged with Alumina Espanola SA, Spain. Finance was provided by Lloyds Bank Limited. The line will help finance capital goods and associated services contracts placed in the U.K. for an alumina producing plant located at San Cyprian.

Honda plans

Honda Motor hopes to sell at least as many cars in Britain this year as last year's 15,000, itself up 14 per cent. on 1975. The company said its wholly-owned sales subsidiary Honda (U.K.) raised U.K. retail prices of Honda Civic models by 5 to 7 per cent. to absorb depreciation of sterling.

UAE telephones

The United Arab Emirates (UAE) will spend 300m. dirhams over the next two years on expanding its telecommunications facilities, officials said in Abu Dhabi. It was decided to increase telephone lines almost three-fold from the present 49,000 to 147,000 in 1978 and Telex lines from 3,000 to 8,000.

Generator contract

An export order worth £320,000 has been awarded to Dale Electric of Great Britain, the Filey based generating set manufacturer. The two-stage contract is for diesel powered generating sets for Qatar in the Gulf and will be used as part of reservoir and sewerage projects for the Ministry of Electricity and Water and the Ministry of Public Works.

Iraq order

The French electrical engineering group Cogelex has announced it has been awarded a contract worth over Frs.300m. to supply the Iraqi state electricity utility with three 400-kilovolt junction stations.

U.S. still concerned over steel imports

FOREIGN imports of steel products may pose a renewed threat to U.S. producers this year, according to concerned steel industry officials and analysts.

Although imports are not expected to return to their 1971 peak level of 18.3m. tons, several companies and financial analysts have raised their import projections for this year.

One major producer, for example, predicts that imports this year could reach "in excess of 17m. tons," up nearly 20 per cent. from last year's total of about 14.5m. tons. This estimate has been revised upward by 2m. tons from two months ago.

At least one prominent analyst agrees that this year's imports may reach the 17m.-ton mark. But some other analysts and companies are projecting a slightly lower increase in imports.

After a disappointing 1976, the industry finds any import bulge worrisome. Most industry officials predict a pick-up in domestic steel demand this year, but there is concern that price-cutting foreign producers may take more than a fair share of new orders.

It was only a year ago that major steelmakers were talking optimistically about the end of the era of "cheap" foreign steel. They still maintain that in terms of actual production costs, American producers are competitive with any in the world.

But they say Government action is needed to prevent foreign producers from selling here below cost. To this end, they have been gearing up a legal and political push for government action on imports.

Data released by the American Iron and Steel Institute confirms a trend of rising imports in recent months. November figures show that imports in that month reached 1.6m. tons, or 19.6 per cent. of total apparent supply, up from 15.7 per cent. of total apparent supply in October and 14.7 per cent. in September.

Additional evidence of import pressure comes from the National Association of Purchasing Management. In its January steel survey the group reported that 79 per cent. of those queried said foreign mills were "more active" in seeking U.S. business than they had been three months ago.

Moreover, 36 per cent. of those contacted this month said the selling prices for foreign steel products were either "slightly below" or "substantially below" domestic levels.

AP-DJ

Cars worry for W. Germany

BY GUY HAWTIN FRANKFURT, Jan. 17.

THE JAPANESE are making a concerted attack on the West German car market and this year they plan to push up sales by about 50 per cent.

Japanese sales in West Germany are still comparatively low. Motorists here still have, in the eyes of the British counterparts at least, an enviable attachment to the home produced article.

However, the Japanese motor industry has been steadily building up useful sales in the Federal Republic. Last year their sales rose by 23 per cent. to 43,400 units—about 2 per cent. of all new registrations in the West German market.

This year projected sales are at around the 65,000 units, or some 3 per cent. of all new registrations. This would still leave them far behind the leading importer, Renault, which even in the thin year of 1975 sold 120,000 cars in the Federal Republic.

Although the Japanese industry's sales figures can hardly be giving West German motor manufacturers sleepless nights, certainly the aggressiveness of their approach to the market is causing cocern. The way in which they have penetrated the British market — admittedly against weak opposition—has been a worrying object lesson in marketing strategy.

Currently the Japanese motor manufacturer with the largest sales in the Federal Republic is Toyota. Last year it sold 17,200 vehicles — well up on the previous year's total of 12,200. This year the corncern hopes to sell 22,000 units to bring its market share up to 1 per cent.

Nissan is the second largest Japanese motor company in West Germany. Last year its sales of 13,500 units were well below the previous year's 16,500. But the decline came about during the establishment of a dealership network for the corncern's Datsun model and this year's sales are forecast at 17,000 vehicles.

The fastest growing groups, however, are Honda and Mazda. Mazda pushed up sales last year from 1975's 4,800 units to 9,200 units and is looking for a volume of between 13,500 units and 14,000 units this year. Honda reported only 1,830 new registrations here in 1975, but this rose to 3,500 last year. This year it is projecting sales of 8,000 units.

A new Japanese entrant to the market is Mitsubishi which is working together with the West German car importer, the Trapp Motor Group.

Philip Morris deal

BY STUART ALEXANDER

Marlboro cigarettes are to be sold in the Soviet Union following the signing of a "multi-million dollar" license agreement with Philip Morris and announced by them yesterday.

Mr. R. W. Murray, president of Philip Morris Europe, Middle East and Africa, said in Lausanne, Switzerland, that in exchange for the sale of U.S. tobaccos to Russia, Philip Morris would buy Soviet-grown tobacco for use in some of its European brands.

In addition the U.S. company would be giving technological assistance with an experimental programme for producing flue-cured and Burley tobaccos in the Moldavian Republic.

Philip Morris already has production licence agreements for Marlborough in East Germany, Poland, Bulgaria and Yugoslavia and hopes to continue its expansion in Eastern Europe. It also, in 1975 co-operated with the Russians over the development and production of the Soyuz-Apollo commemorative cigarette.

New shipping service

By Our Shipping Correspondent

P & O Strath-Ellerman Services are to start a full container service to Arabian and Iranian ports next month. Two vessels, Strathmuir and Strathmay, with a capacity of 310 20-foot containers will inaugurate the service from Liverpool's Seaforth Dock direct to Dubai and Muttrah.

Malaysian port granted theft claims immunity

BY WONG SULONG KUALA LUMPUR, Jan. 17.

DESPITE strong protests from Parliamentarians and the business Community, the Malaysian Government has pushed through a Bill in Parliament granting the authority at Port Klang—Malaysia's biggest port—the immunity from claims for goods stolen or missing at the port.

To add fuel to the controversy, both the chairman and general manager of the Port Authority recently resigned, although the Government said their departure was not the result of public demands for an overhaul in the port's administration.

Under the Port Authorities Amendment Bill, the Port Klang Authority is absolved from any claim by traders for goods stolen, and claims for damaged goods is limited to 1,000 ringgits (£250).

Various Malaysian Chambers of Commerce have protested against the Bill, saying that it would only encourage greater pilfering at the port, and would force Malaysian traders to use foreign ports, especially Singapore, which already handles a substantial slice of Malaysian trade.

During debate of the Bill in the Senate, a Malay Government Senator said there was rampant pilfering, corruption and gangsterism.

He charged that a syndicate was behind the pilfering, and claimed that it was trying to build an "empire" at the port by monopolising all contract work. His remarks have angered the port workers' union, who have threatened to go on strike unless he apologised and withdrew his charges.

Boost for Israeli exports

BY L. DANIEL TEL AVIV, Jan. 17.

ISRAELI exports of industrial goods to the Common Market will be given a substantial boost as a result of the decision of the Israeli Ministry of Transport to permit CAL, the recently-established air cargo charter line, to carry industrial, as well as agricultural products on its outward trips to Europe.

CAL was formed last autumn at the initiative of the farming sector to airfreight off-season produce to European markets which it is doing at prices roughly half those which Agrexco, the agricultural export company, had to pay last winter.

CAL is charging a flat rate of $300 per metric tonne, whereas exporters of industrial goods in the past had to pay between $600-$1,000.

This means that Israeli producers will be able to take full advantage of the agreement with the EEC which permits the duty free entry into the Common Market of Israeli industrial goods as from July 1.

Conversely, European exporters of raw materials, semi and finished goods, including cars, will be able to avail themselves of these airfreight facilities to Israel.

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Jim Milligan is the Export Distribution Manager for Ethicon Ltd., an Edinburgh based company supplying sutures and ligatures to markets all over the world. Their growth has been consistent year by year and they have won three Queen's Awards in the process.

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To make an appointment or for information contact the Information Officer, Export Credits Guarantee Department—quoting reference FTG—at Glasgow, Belfast, Leeds, Manchester, Birmingham, Cambridge, Bristol, London West End, Croydon or Tottenham offices; or Joan Swailes, Information Section, ECGD, Aldermanbury House, London EC2P 2EL. (Tel: 01-606 6699. Extn. 258).

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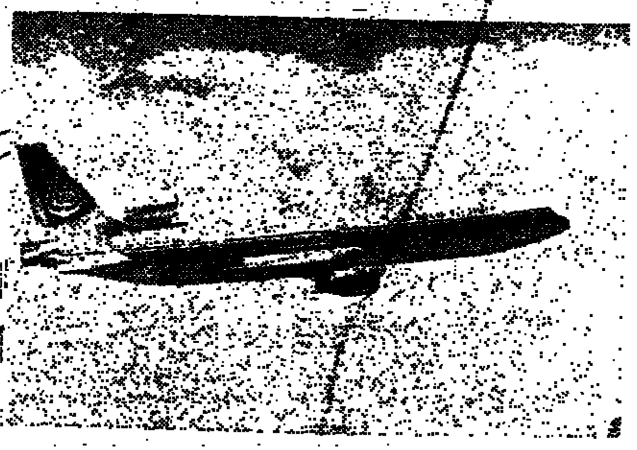

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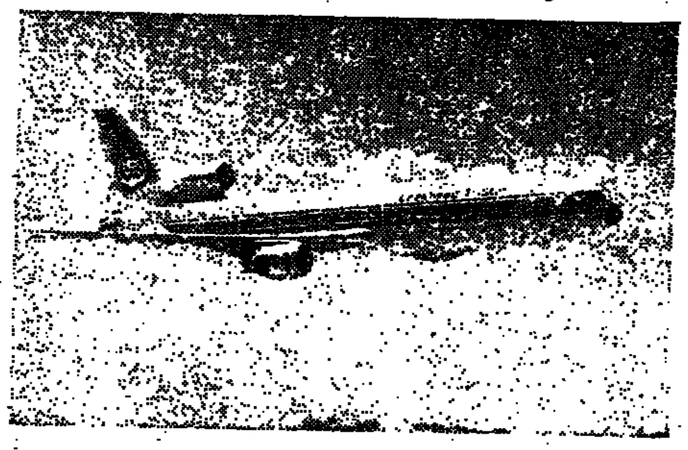

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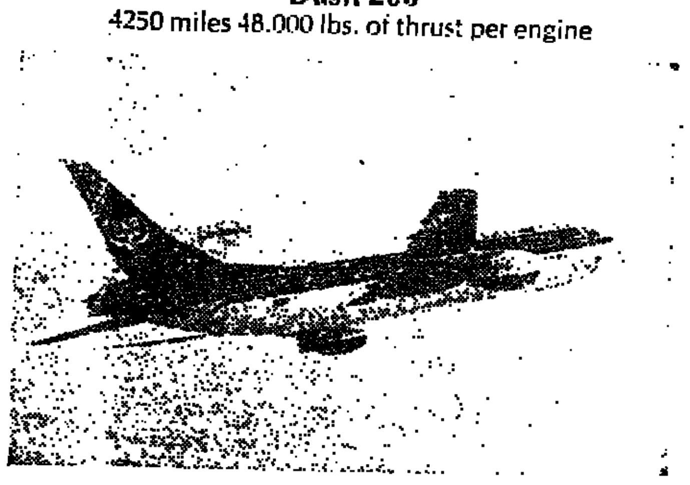

Dash 250
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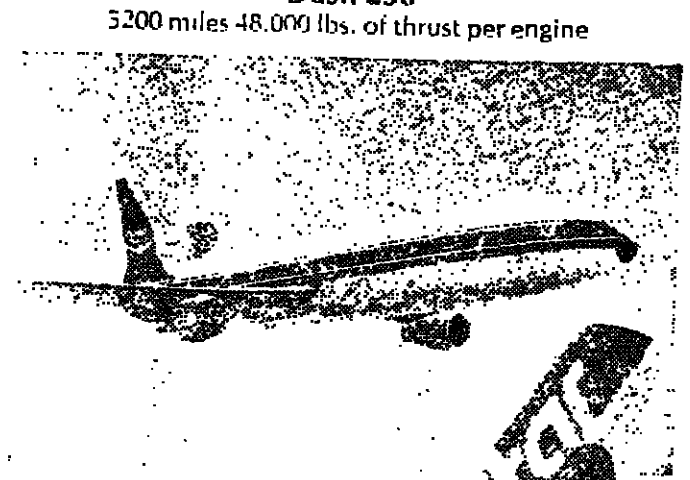

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Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

GET THE MOOD OF Cwmbran

● METALWORKING

Cold-rolling mill trials

JOSEF Fröhling of Olpe, West Germany, has completed initial trials on a new incremental cold reducing rolling mill, known as the cycloidal mill.

The mill will give economic reduction of metals such as nickel alloys, bronzes, titanium and zirconium, which are difficult to cold-roll using conventional methods. Reductions of up to 15 to 1 have been achieved in a single pass when rolling non-homogenised bronze 200mm. wide down to 0.9mm. thick.

The cycloidal mill shows a number of economic advantages when compared with conventional rolling, since the latter process would involve six passes through a two-high mill, one annealing process, one cleaning operation, and process trimming of the edge of the strip.

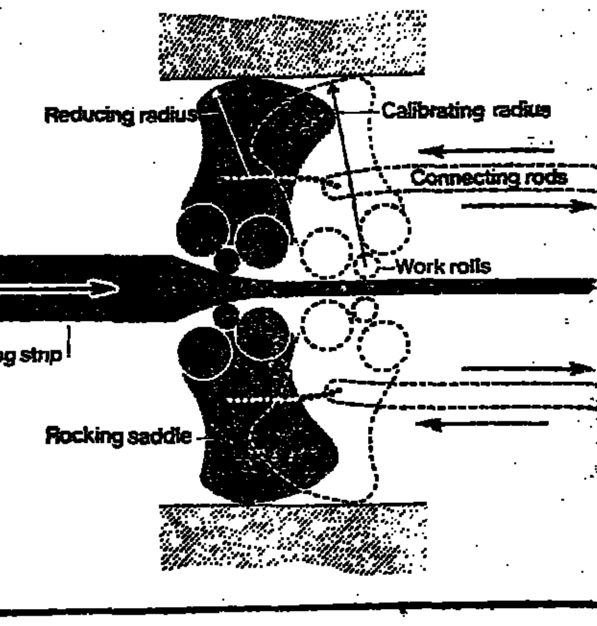
The mill was developed by Fröhling under a continuing licence agreement signed in 1971 with Imperial Metal Industries (Kynoch) of Birmingham, for the manufacture, sale and servicing of pendulum rolling mills. The first pendulum mill, designed by an IMI engineering team led by Dr. Karel Saxl, has been a successful operation for five years rolling bronze and nickel silver at John Wilkinson and Sons (Saltley), Birmingham, an IMI company.

On the cycloidal mill running at Olpe, stock is fed by hydraulic grippers using the walking beam system, the speed of feed being adjustable to match the material being rolled. Reduction of stock in the mill is achieved by two work rolls located in opposed rocking saddles. The two saddles are moved backwards and forwards by connecting rods from a crank with adjustable throw, driven by a variable speed d.c. motor drive giving up to 400 cycles per minute.

The reciprocating motion of the connecting rods is converted into a rocking motion of the saddles as their outer bearing surfaces roll against the horizontal backing faces on the mill housing. The outer bearing surfaces of the saddles are profiled in two radii to allow the work rolls to follow a cycloidal path for part of the stroke as they reduce the thickness of the stock, and a parallel path for the remainder. The Fröhling type hydraulic screwdown has been incorporated in the housing to set the required ...

As in the original IMI pendulum mill, stock reduction occurs during both strokes, and the work rolls are in contact with the stock throughout the cycle. The maximum designed speed of the Olpe mill is 20 metres per minute.

Josef Fröhling is now accepting sample batches of material from potential customers for trial rolling by arrangement with Peter Fröhling at the headquarters at Postfach 78, 596 Biggesee, West Germany (02761) 2071.



Cutting refractory metals

DEVELOPED originally as a heavy cutting fluid, "75 Synthetic" has made it possible to machine and drill the full range of Nimonic and related refractory alloys and these can now readily be drilled and worked to a high standard of finish.

At Henry Wiggins, Hereford, the fluid at a 5 per cent. dilution, enables straightforward drilling of 3/8 inch diameter holes in Nimonic 901, previously impossible without constant regrinding of the bit. It is also being used on Nimonic 75, 901, 263 and PK 35 at a 5 per cent. dilution for turning with tungsten carbide tools and at a 20 per cent. dilution for band-sawing operations.

In both cases a much higher standard of finish is achieved than that previously possible, and tool life has also been considerably extended.

De la Pena 75 Synthetic is a transparent blue colour, allowing the cutting edge of the tool to be observed. It is clean and odourless in service and has a life of up to 12 months without further treatment. It ... lubricates the cutting area and does not leave a gummy residue behind. It also prevents corrosion of the machine tool.

The fluid stops swarf adhering to the cutting tool, keeps swarf clean and ensures that it does not compact in the ... making it simple to degrease and easy to clean out of the sump.

The material is an aqueous solution containing water soluble polymers, fatty acids, glycols and corrosion inhibitors. A non-phenolic biocide is also included. It has a pH of ... is infinitely stable under normal storage conditions. It does not cause skin irritation or dermatitis.

Paul de la Pena, Ray... Road, Pershore, Worcestershire WR10 2DD (03865) 2011.

● DATA PROCESSING

Honeywell adds to its collection

TWO NEW models have been added to the line of Series 60 Level 62 small computers by Honeywell which also announces enhancements to its Level 64 medium systems range. These will allow operators to make better use of the capabilities of the Level 64 GCOS operating system.

The new machines in the Level 62 line are a new entry model, the 62/20, and an additional model at the higher end of the scale, the 62/50.

Typically, a Model 62/20 with 80K bytes of memory, 40 Megabytes of disc storage and a 200 lines per minute belt printer would cost £47,750 or rent at about £1,225 per month on a two-year term.

At the higher end of the scale, a Model 62/50 with 128K bytes of disc storage, and a 600 lines per minute belt printer with 136 print positions, would cost £97,500 or rent at about £2,560 per month on a two-year term.

Level 64 enhancements centre in memory extensions available at standard increment prices.

These upgrades will give Level 64 users ability to handle, with multiprogramming, a wide variety of high-volume transaction processing and data-base applications using TDS (Transaction Driven System) and IDS II (Integrated Data Store) respectively. Both these software systems were previously available only on Level 66 systems.

Honeywell on 01-568 9191 for further details.

Property data on demand

LONDON Borough of Southwark has awarded Real Time Control a contract for the supply and implementation of a minicomputer system to be used in the applications and lettings section of the Housing Department.

Accurate and up-to-date central records of the Council's entire housing stock, together with details of the varied and increasing demands made upon the Housing Department by people in housing need, will be provided. The system will support five district offices and a management centre as remote terminal users and provide a regular broad property allocation report by district, matching available accommodation with those families with the greatest need.

As a secure and accurate data base of household and property records, the computer system will be able to generate, on request, regular management reports for the Department. These reports will include such topics as vacant properties, both new and relets, and specific types of property currently available.

An on-line inquiry facility will be available to the management centre and district offices to enable immediate interrogation of the central records dealing with both property and applicant data.

Many housing authorities, particularly in large conurbations with a substantial property register, have an ever-increasing list of applicants for housing. Present manual methods for updating records and dealing with allocation requests for first-time applicants, exchanges, transfers, etc., are time-consuming and often inadequate.

Southwark carried out a study of its existing allocation and letting methods and established that advantages from computerising would include more accurate and up-to-date records of both properties and households and less staff effort to deal with record amendments and thus more time for dealing with the public.

Improved utilisation of property would result from minimising unoccupied periods and thereby reducing rent and rate losses.

A dedicated system was selected on the basis of minimal cost and improved confidentiality of personal information.

Real Time Control, of Kebbell House, Carpenders Park, Watford, is a systems and software services company, and supplying minicomputer system for real time applications. RTC believes this particular system offers an effective management service to the large urban housing authority with a similar problem to Southwark's in that preparation and updating of accurate records for both property and households is difficult to achieve and maintain using manual methods.

The value of the contract is over £125,000.

● TRANSPORT

Powerful vacuum tanker

SAID TO be as powerful as the most advanced units made in Europe, but costing 20 per cent. less than equivalent Continental models, the latest vacuum road tanker from Whale is intended not only for mobile applications (collecting and removal of industrial waste) but also for static use.

First of the new units to go into service is a 3,000 gallon model on a DAF six-wheeler chassis, for Arfaz, of Hull. The same tank equipment is offered on any make of chassis, with tank capacities up to 5,000 gallons. Unladen weight of the Arfaz vehicle is 12 tons, compared with nine tons for the normal Whale vacuum tanker of the same capacity.

All the pipework on the new units, including the valves and grit strainer, is of 4-inch bore (1½ or 2½ inch on the normal model).

To avoid obstructing heavy sludges the tipping tank has no internal baffles or strengthening members—the tank is supported by external flanges.

Air speeds created in the vacuum are sufficient to draw in relatively dry materials, even powders, so damping jets have been incorporated to add water to the material to prevent dust clogging the grit strainer or penetrating the exhauster.

Following European practice, the full diameter rear door is hinged at the top, and hydraulically opened and closed. On the Arfaz vehicle, which has a 6-foot diameter tank, eight clamps are fitted—sufficient to hold the door against a pressure of 60 psi (with a safety margin).

Details from Whale Tankers, Ravenshaw Lane, Solihull, West Midlands B91 2SU (021-704 3191).

● By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.

● COMMUNICATIONS

Experience with 'phone watchdog

THE FIRST U.K. installation of Interscan's new telephone traffic data analyser (TDA) has taken place at the Manchester headquarters of the Co-operative Insurance Society. The CIS is one of the largest home service insurance offices in the U.K. with 250 district and regional offices, assets of over £750m. and a 1975 premium income of £160m.

Like all companies CIS needs to keep careful control over its costs. One major item of expense is the telephone bill, which in 1975 totalled more than £300,000.

During 1975 the Society introduced a staff educational scheme to encourage more economical use of the telephone system. It also completed a three-year survey of telephone costs at its chief office, which showed that there was a good response to requests for telephone economy. This response has helped to keep down costs despite massive Post Office price increases which amounted to 124 per cent. in the two years up to April 1976.

In 1973 consumption at the CIS chief office alone averaged 80,000 dialled units a week, and this figure had been reduced to 55,000 units by mid 1975. During 1976, after the decision was taken to install the TDA, consumption dropped further to about 40,000 units a week, 27 per cent. less than the 1975 figure. At current Post Office rates the 1973 volume would have cost about £125,000 whereas the bill for 1976 as a whole is now expected to be about £70,000.

Mr. Peter Smith, assistant manager of CIS Management Services Department, while pleased with the economies achieved is concerned to see them maintained.

Two years ago CIS was asked to consider replacing a 700 line PABX with a new electronic system, including telephone monitoring, at a cost of over £1m. The only advantage to CIS would have been from the call logging unit and the company decided instead to look at other forms of telephone monitoring equipment which could be used in conjunction with the existing switchboard.

Interscan's TDA ... offered the best combination of the features needed and, as CIS was the first U.K. customer, users in North America, mainly insurance companies, were contacted to discuss their experience. All of them reported good results, with savings of up to 30 per cent. on telephone bills in many cases.

CIS believes that a 10 per cent. reduction in the present level of use is possible and expects the TDA installation to pay for itself within one year.

More from Interscan, Hoechst House, Salisbury Road, Hounslow, Middlesex. 01-... 2932.

● MATERIALS

U.S. centre for carbon fibre

THE LEADING European producer of Carboform preimpregnated carbon fibre materials and components, Fothergill and Harvey, has announced its intention to open on April 1 a new sales and service unit in Los Angeles to serve the U.S. market.

The announcement follows the agreed termination, effective March 31, of an arrangement whereby Great Lakes Carbon Corporation of New York has handled sales of the company's carbon fibre products. Each company now feels that its own objectives can be better achieved by proceeding independently, with Fothergill still intending to set up a U.S. based manufacturing facility for preimpregnated products when market conditions warrant.

Fothergill and Harvey, Summit, Littleborough, Lancashire OL15 9QQ. 0706 78831.

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HOME NEWS

Profit-making Docks Board repays £6.4m. early

BY JOHN WYLES, SHIPPING CORRESPONDENT

THE STATE-OWNED British Transport Docks Board has underlined its record profitability last year by repaying the first instalment on long-term capital debt a year ahead of the due date.

This unusual move by a public undertaking has been made without reborrowing. The £6.4m. repayment was funded out of earnings pushed to an expected £22m. last year by effective cost-cutting, and by improving the Board's ports' share of total import and export cargoes.

Sir Humphrey Browne, the Board's chairman, refused to comment yesterday on the last year's profits before accounts were laid before Parliament at the end of April. He confirmed the loan repayment, first instalment on a £77m. capital debt to be repaid over 10 years starting on January 1 next year.

"We regard it as highly creditable that we are one of the few State undertakings ever to repay debt without reborrowing," said Sir Humphrey. The money had been "appropriately" discounted on a commercial basis.

When the Board's accounts are published the debt repayment is expected to be one of several features of an unusual financial year. Return on capital is believed to have reached a record 15 per cent.

Effects of inflation will be underscored by figures disclosing that the Board's depreciation fund, based on the historic cost of assets, has been exceeded for the first time by an additional amount, geared to the Retail Price Index, which is set aside to cover replacement costs.

The Board's performance last year will render it liable for the first time to Corporation Tax.

Its profits have been helped by a recovery in traffic after the dismal volumes of 1975. Non-fuel traffic, up 9 per cent., is back to 1974 levels, with container cargoes showing a 13 per cent. rise.

The Board improved its share of import and export cargoes, so that on the basis of value its ports now handle 24 per cent. of traffic passing through ports.

The Humber ports, notably Hull, and the South Wales ports all returned increased profits last year, as did Southampton, although its contribution was offset by the cost of large current capital expenditure schemes.

Port operating costs have been cut by a gradual reduction in manpower, 2,000 in the past two years, by disposal of surplus cranes, and by more efficient operation of dredging.

The Board's South Wales ports will soon face a strong challenge from Bristol's £37m. West Dock, due to start operations next month.

Sir Humphrey, who after more than 5½ years is the Board's longest-serving chairman, was adamant yesterday that the Board would not cut its prices to meet the new competition because "marginal costs are the long path to hell." But the Board would be aggressive in selling its services.

Europe fails to meet energy cut targets

BY ROY HODSON

THE EUROPEAN Community nations are accused by their chief energy strategist, Mr. Leonard Williams, the director-general for energy of the European Commission, of failing to meet targets to cut down dependence on imported energy.

Targets for reduced dependence are not being met and in the longer term Europe can expect problems about its oil supplies, he says in the National Coal Board's quarterly, Coal and Energy.

Although more than three years had passed since the energy crisis of 1973, it would be an exaggeration to suggest that progress on a new European energy policy had been anything more than modest.

Two principal goals highlighted the Community's energy objectives: To reduce dependence on imported energy; and to improve the security of those energy supplies that must continue to be imported.

"There is cause for concern," Mr. Williams says.

The Council of Ministers decided in 1974 to reduce dependence on imported energy from 60 per cent. to 50 per cent. by 1985 and, if possible, bring it down to 40 per cent. Yet latest figures showed that a 40 per cent. target was out of reach and that even the 50 per cent. target was doubtful although the growth in energy demand had slowed down.

By 1985, imported oil might still represent about 45 per cent. of the Community's energy supplies compared with the 37 per cent. aimed at.

The reasons for the disappointing prospect were varied. Nuclear programmes had gone forward more slowly than earlier planned.

If shortfalls in the supply of nuclear electricity were to be met by increasing oil imports that would jeopardise further the objective of securing more energy independence for Europe and would also help to force up oil prices.

Clearly there was a promising future for the use of Community coal in electricity generation if prices were competitive and the correct policies were pursued.

The longer-term oil supply situation was also likely to present problems. Oil consuming areas such as Europe, the U.S., and Japan, would have to rely upon the Organisation of Petroleum Exporting Countries for a large part of their incremental oil demand.

The world might need as much as 38m. barrels a day of OPEC oil by 1985 compared with 28m. barrels a day last year.

Of the 38m. barrels a day forecast for 1985, the European Community might need as much as 12m. barrels a day compared with its present consumption of 10m. barrels a day.

That increase in Community consumption of OPEC oil would be after allowance had been made for North Sea oil production.

Ashley Ashwood

Christmas is the day when children receive new toys, but January is the month that manufacturers show off new items for the year ahead. Yesterday Fisher-Price Toys displayed its new lines which will be on show at the International Toy and Hobby Fair, when it opens at the National Exhibition Centre, Birmingham, on Saturday. Matthew Hibberd, a cub in the 16th Westminster pack, had a sample of next Christmas when he played with items from the Adventure People range in London.

Sulzer to close U.K. factories

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE SWISS-OWNED Sulzer Bros. (U.K.) is to close its Sheffield factory and associated foundry at Bury with the loss of 630 jobs.

Sulzer said trading losses were estimated at £6m. during the past six years and there was no sign that these could be stemmed.

Since taking over Millspaugh six years ago, Sulzer has invested £2m. in the first stage of what was planned to be a three-phase programme.

The factory is mainly engaged in the manufacture of paper-making machinery, but the investment helped it diversify into fabrication work for the chemical, oil, power generation and other process industries.

Mr. Richard C. Whalley, managing director of the Sulzer plant, told employees yesterday that every effort had been made to bring alternative production to the plant. But demand for capital goods of the type manufactured with the existing facilities an dskilled manpower had also been reduced by the world recession in heavy engineering lities and skilled manpower had vestment.

"We have studied all possible alternatives as well as the medium and longer term prospects for our industry and can only forsee further heavy financial losses by continuing to run the factory. We have reluctantly concluded that we are forced to take steps to close," he added.

The Gebrueder Sulzer group acquired the Sheffield plant in 1969 when it took over another Swiss concern, Escherwyss. The Sheffield factory has 570 employees. The ferrous foundry at Bury, which makes castings and frames for paper making machinery, has 60.

Discussions with the unions will take place over the next two weeks but Sulzer says it wants to close the plant when current contracts are completed later this year.

Bow Valley's £8.7m. North Sea deal

BY RAY DAFTER, ENERGY CORRESPONDENT

ASHLAND OIL and the Louisiana Land and Exploration Company look set to acquire a bigger stake in the North Sea Brae Field and associated concessions in a deal worth £8.7m. with Bow Valley Industries.

Bow Valley said yesterday that it had executed a definitive agreement with the two oil groups. Under the agreement, outline approval from the Department of Energy, Bow Valley (U.K.) has received a payment of £4.35m. and a loan of £1.45m. which are refundable if the deal is not concluded.

The agreement is expected to be completed on or before February 15, when Bow Valley will receive an additional £2.9m. in loans.

Louisiana Land and Exploration, Ashland Oil GB and Ashland Oil Canada are acquiring 50 per cent. of Bow Valley's interests in the Brae Field, on block 16/7 and in the concessions on block 16/3 and 16/2.

Brae, which is being evaluated by appraisal drilling, could be one of the biggest finds in the U.K. sector, although recent, disappointing wells have shown it to be a complex and unpredictable prospect.

If the deals are concluded the shareholding in block 16/3 and 16/7 will be: Pan Ocean (36 per cent.); Bow Valley (14 per cent.); Sunningdale Oils (8 per cent.); Siebens Oil and Gas (4 per cent.); Saga Petroleum (4 per cent.); British National Oil Corporation (20 per cent.); Ashland Oil GB (6.3 per cent.); Ashland Oil Canada (1.4 per cent.); Louisiana L. and E. (6.3 per cent.).

Shareholding in block 16/2 will be: Pan Ocean (45 per cent.); Bow Valley (17.5 per cent); Sunningdale Oils (10 per cent); Siebens Oil and Gas (5 per cent.); Saga Petroleum (5 per cent.); Ashland GB (7.875 per cent.); Ashland Oil Canada (1.75 per cent.); Louisiana L and E. (7.875 per cent.).

● Oil production from the seven U.K. oilfields now on stream is meeting more than a quarter of the country's needs. Output so far this year has reached 550,000 barrels a day in spite of the fact that bad weather has hampered the loading of tankers at some of the fields.

Two more fields—Claymore and Thistle—should begin operation this year making it likely that the Government forecast of between 35m. and 45m. tons output will be met.

Norcros employees seek Minister's aid

BY KEVIN DONE, INDUSTRIAL STAFF

Mr. Stanley Orme, the Minister for Social Security, has been asked to help more than 1,600 employees of the Norcros Group, the £156m. a year industrial holding company, who are facing considerable losses in pension benefits after the discovery of a ...m. deficit in their pension fund.

The deficit affects that part of the 11,000 Norcros workforce formerly employed by the Slater Walker company, Crittall-Hope, taken over by Norcros in 1974.

The 1,600 employees are members of a pension scheme that offers higher benefits than the main Norcros scheme, but according to Mr. Victor Yaldren, Norcros company secretary, it was discovered last year that the contribution rates and assets of the fund did not match the promised benefits.

Norcros has offered to meet the deficit — calculated at about ...m. — up to March 31, but then wishes to absorb the 1,600 employees into its main pension fund.

If the other fund were not wound up it could produce a deficit of £31m. in the long term, said Mr. Yaldren.

"We were told it was properly funded when we took over, but we were given wrong advice. The on-going rate for making the fund good is pretty horrific."

Two offers made by the Norcros management have been rejected by the 1,600 workforce at nine plant meetings around the country because the proposals would not begin to match present benefit rates.

Mr. Robert Ray-Dobson, chairman of the joint staff unions pension committee at the Norcros company, Crittall Windows, Braintree, Essex, said that the workforce had rejected management arguments that they would be no worse off under the pension change.

After testing the proposed formula employees stood to lose between 18 per cent. and nearly 50 per cent. of pension rights.

At the time of the Norcros take-over guarantees were given that pension rights would not be affected, said Mr. Ray-Dobson.

Mr. Tony Newton, Conservative MP for Braintree, has written to Mr. Orme, the Minister with responsibility for pensions, asking what legal redress is available and whether there is any machinery for investigating the organisation of the fund.

Further meetings

He has expressed concern that the fund could have been set up on a basis that appears unsound and that the deficit remained undiscovered during the take-over period causing employees to be given misleading information.

Full-time union officials from APEX, ASTMS and TASS have been called in and further meetings are to be held with Mr. Yaldren.

Mr. Ray-Dobson said: "We want to know if we have been conned and had our pockets picked and, if so, who has done it. We are entitled to an explanation.

"Industrial action has been considered from the beginning but we wish to be seen to be reasonable. We might get to a situation, however, where we demand that the company keeps to guarantees it has given to us."

Wholesale textile sales rise

By James McDonald

WHOLESALE TEXTILE sales in 11 of 13 sections of the trade registered increases last November compared with November 1975, reports the Textile Distributors Association.

Gross sales less returns during the month showed increases of 14.5 per cent. in women's knitted outerwear, blouses and skirts; 47.8 per cent. in women's coats, costumes, furs and raincoats; 11.3 per cent. in women's underwear; 11.1 per cent. in women's hose and children's socks; 19.8 per cent. in haberdashery, ribbons and wool; and 4 per cent. in children's wear.

The men's and boys' ready-made clothing and overalls sector registered an increase of 27 per cent.; gloves were up 15.2 per cent.; household textiles 33.3 per cent.; floor covering, furniture and hardware 10.4 per cent.; and boots and shoes 36.4 per cent.

The only declines over the year were in women's millinery —only 58.5 per cent. of the November 1975 figure, and piece goods and nets—75.3 per cent. of a year before.

Sales for the 11 months of 1976 were higher in eight sectors against the same period of 1975. These were women's knitted outerwear, blouses and skirts—up 9.1 per cent.; women's coats, costumes, furs and raincoats up 9.4 per cent.; haberdashery, ribbons and wool up 0.7 per cent.; children's wear up 1.9 per cent.; gloves up 3.2 per cent.; piece goods and nets up 2.7 per cent.; household textiles up 9.2 per cent.; boots and shoes up by 4.6 per cent.

Seven of the 13 sectors recorded increases in stock at cost in November, compared with the same month in 1975—women's knitted outerwear, blouses and skirts; women's coats, costumes, furs and raincoats; haberdashery, ribbons and wool; children's wear; gloves; piece goods and nets; and household textiles.

Prosecution move over gas blasts

BY RAY DAFTER, ENERGY CORRESPONDENT

MR. JAMES TYE, director-general of the British Safety Council, is seeking permission to prosecute British Gas for the explosions over Christmas and the New Year. The move provoked an angry and hostile response from the Gas Corporation.

The Director of Public Prosecutions is being asked to grant Mr. Tye permission to take out a private prosecution against British Gas. He complained in particular about what he alleged to be lack of safety procedure and of sufficient warning to the public about the dangers.

Mr. Tye, who demanded a full inquiry into the explosions earlier this month, accused Mr. Anthony Wedgwood Benn, the Energy Secretary, of "setting up a whitewash committee," and the Health and Safety Executive of "abdicating its responsibility."

British Gas officials and a Department of Energy inquiry team are investigating the cause of about a dozen big explosions in the past few weeks.

In a statement—probably unpredecented from a State-owned corporation — British Gas attacked Mr. Tye's intended action. The Corporation said that British Gas had been told by the Confederation for the Registration of Gas Installers that the Safety Council had "consistently failed to respond to any invitation to participate in seminars or other training sessions designed to instruct independent gas installers in safety matters."

The suggestion by the Safety Council that British Gas had in any way neglected its responsibilities was "outrageous and totally irresponsible," it stated.

The strongly worded rejoinder was authorised by the Gas Corporation's top management. Although inquiries are continuing, investigation has shown that in several of the incidents at least the gas installations were not at fault.

Co-operate, private schools told

By Michael Dixon, Education Correspondent

GREATER co-operation between private and State schools is urged—in direct opposition to Government policy—in a policy document published by the Independent Schools Joint Committee to-day.

The document points out that the Government has signed the United Nations Covenant respecting the liberty of parents to choose schools other than those established by the public authorities.

It also says that the destruction of good schools will make no contribution to the removal of fundamental inequilities, whose causes lie outside the education system.

The countries aim should be to make all schools, whether State or independent, as good as possible; and those in the private sector "would like the emphasis to be on dialogue and co-operation between the two sectors," it adds.

Heads and staff of independents should contact counterparts in State schools to seek ways of collaborating, perhaps by serving on each other's governing and managing bodies.

Sharing of teaching and other facilities should be encouraged, although this would require setting up new financial arrangements

Any new form of co-operation, the document says, should safeguard the independent school's autonomy and educational standards, ensure that public money spent is used equitably and effectively, and avoid any adverse effect on the State system.

Forum on European air fares reopens to-day

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

FURTHER VIEWS on the level of European air fares and suggestions for reducing them will be given to the Civil Aviation Authority in London to-day.

This extra time for the public consultation on European fares which began last week has been due to the large number of individuals and organisations wanting to give evidence to the authority, and the time taken at last week's meeting by organisations such as British Airways and the Airline Users' Committee.

Although not intended to produce a firm programme for action (the authority cannot act unilaterally on the international fares issue) the public consultation—the first of its kind held by the authority—has aroused considerable interest.

A large volume of written and oral information has been produced and will be studied by the authority in an attempt to formulate a programme for the progressive reduction of European international air fares.

This will be discussed by the airlines and regulatory aviation bodies in Europe.

To-day's hearing will be given over primarily to the independent and charter airlines. Last week's sessions were devoted mainly to British Airways and British Caledonian Airways.

Also appearing to-day will be representatives of the trade unions' side of the National Joint Council for Civil Air Transport. The meeting starts at 10.30 a.m. at Space House, Kingsway, London.

The authority has already said that when the meetings are over it will prepare a report based on the evidence submitted, which will be published as a "consultation document" for the benefit of the U.K. and European aviation community.

Exeter stamp dealer to start mail service

BY KEVIN DONE, INDUSTRIAL STAFF

THE POST OFFICE monopoly of the letter service is to be challenged by an Exeter stamp dealer, who is starting his own delivery service next month.

He is setting up a local city post and intends to supplement this quickly with a weekly service to Bristol.

If the inter-city delivery proves to be financially attractive, it will gradually be extended to other large cities, including Birmingham, Manchester, Liverpool and Glasgow.

The 1969 Post Office Act says authority to contravene the Post Office monopoly can be given only by the Government. However, Mr. Douglas Watson, who delivered some 500,000 letters under special licence during the 1971 postmen's strike, is hoping that the simple device of tying string round each envelope will enable him to avoid infringing the monopoly legislation.

The Post Office does not have a monopoly on parcels traffic and faces stiff competition from several carriers. Mr. Watson is following a precedent set by several short-lived independent post offices, which have sought to blur the distinction between a letter and a parcel by tying string around the letter.

Test case

Mr. Watson said he was challenging the Post Office's monopoly because its charges were "outrageous" and its operation slack.

"If the Post Office wants to stop me they must take me to court. I will welcome a test case. There is a demand for a local city post and at 5p people would patronise it. We can do it with lower charges than the Post Office and make a profit. That should keep them on their toes.

"I believe one can handle mail competitively. Their service is not very efficient and I believe someone should find out if they can do it better."

If Mr. Watson's service is challenged in the courts the case is bound to focus attention on the practice of some security and freight organisations, which also carry letters as some form of "parcel" service

Cupid stamp

The local Exeter service will begin on February 14 with a special St. Valentine's Day delivery at 5p per letter/parcel. All envelopes must be tied with string before they are handed over.

Mr. Watson has had a special stamp printed showing a semi-nude Cupid flying over a heart.

He hopes to start the Bristol delivery run the following week and will be guaranteeing delivery the day after posting for a 7½p minimum letter charge.

He estimates that the weekly service will be carrying between 500 and 1,000 letters per run.

Mr. Watson began an independent local post office operation shortly before Christmas, but had to close when it was swamped by demand after handling 10,000 letters in four days.

He is hardly the first to try to outmanoeuvre the State mail monopoly. Local entrepreneurs have been trying to do it for hundreds of years.

A William Dockwra set up a "Penny Post" in London in 1680 with a local collection and delivery service. He was so successful that he was prosecuted and the service was closed down in 1682, only to be re-opened later by the Government on its own account.

High interest rates' protest by brokers

BY ANTHONY HARRIS

TWO LEADING BROKERS in Government stock have accused the authorities of maintaining excessively high interest rates, and selling an unnecessarily large amount of high-coupon stock.

Greenwell and Co., in its monthly monetary bulletin, gives warning that unless action is taken soon to allow more rapid monetary expansion by allowing minimum lending rate to fall and restraining further sales of Government stock, real economic growth will be "even slower than at present expected."

The brokers say that the restraint necessary to offset the excessive monetary growth of 1976 had already been achieved by December 8, while further large sales of stock in the January banking months suggest a further contraction of the money supply, despite the jump in bank lending due to the biting of interest charges.

They suggest that the present level of rates is due to a fear by the Bank of England that if rates were allowed to fall, as at the same stage last year, it might subsequently become difficult to restrain the money supply.

Mr. Greenwell argues that the slower growth in money GNP expected this year makes this unlikely, and increases the opposite danger, that monetary restraint will remain so tight as to impede real activity more than was implied in the monetary policy declared by the Government in the Letter of Intent.

A supporting study of the Treasury bill issue net of estimated official assistance to the money markets suggests that there has been a dramatic reduction in this source of reserve liquidity in the system.

Indeed, on the somewhat extreme assumption that the average life of bills acquired by the Bank in its support operations is two months, it is possible that the market owes more money to the Bank than it will realise from maturing bills.

More probably, the market's net holding has dropped from a peak of nearly £7bn. in October to about £1½bn.-£2½bn. now — something near the average levels in the early 1970s, before the huge growth in prices and the money supply.

Messels, in a comment circulated at the week-end, says that official reluctance to allow a fall in interest rates "is something of a puzzle," and adds that the recent agreement on funding the sterling balances must increase the downward pressure on interest rates. Otherwise there may be a large inflow.

It accuses the authorities of failing to understand what is involved in monetary management under the terms set by the Letter of Intent and the sterling agreement.

Call for direct tax relief by accountants

By Michael Blanden

THE CURRENT "unprecedented levels of direct personal taxation" have resulted in a lack of incentives to business enterprises generally, it is argued by the accounting profession in its annual pre-Budget submission to the Inland Revenue.

The consultative Committee of Accountancy Bodies, representing the major accounting groups in the country, argues that failure to adjust the levels of many reliefs, allowances and thresholds to reflect inflation has increased the burden on the taxpayers and contributed to the country's economic stagnation.

A standstill in new tax legislation is advocated as well as better procedures to speed the correction of existing anomalies and inequities. The accountants comment on the "substantial number of further anomalies and difficulties" which have come to light since their previous submission a year ago.

They maintain that this "unsatisfactory state of affairs is attributable to the large volume of exceedingly complicated tax legislation that has been enacted year by year."

Tories fight proposal on pensioners' earnings

BY ERIC SHORT

CONSERVATIVES WILL renew their attack to-day on the Government's proposal to stop the proposed rise in the earnings rule limit scheduled to increase from £35 to £50 a week from April.

Mr. Lyndale Chalker, the Shadow spokesman on social services, said yesterday that the evidence provided by the department of Health and Social Security supported the Conservative claim that the Government had overestimated the cost savings of its proposal.

The Social Security (Miscellaneous Provisions) Bill proposes to overturn the decision made by Parliament in 1975 that the limit on which earnings by retired people is lifted from the present level of £35 a week to £50 next April, and abolished by 1980.

Instead, the £35 limit would be fixed and revalued each year in line with National Average earnings. For every £1 earned above the limit the person loses £1 of their pension.

Mrs. Chalker made it clear that the Opposition intended to remove the relevant clause and put down a new clause linking the £50 limit to average earnings. She claimed that this way elderly people would not be penalised from working by having their pension reduced.

Water to cost 3½p aweek more

NORTH-WEST WATER announced yesterday that domestic supplies would cost on average another 3½p a week next year and the charge for sewerage and environmental services would rise by only 1p-2p a week—less than the present rate of inflation.

The increases, mainly due to inflation, were approved by the authority at its budget meeting at Warrington.

Britain demands action over TV 'pirates'

By Arthur Sandles

BRITAIN is trying to obtain money from the thousands of Irish, Dutch, and Belgian television viewers who nightly ignore their own national programmes and tune in to BBC and ITV.

Department of Trade officials were in Strasbourg yesterday for a meeting about programme piracy and are looking for action from the Government of the countries involved.

The British are not so much concerned about the individuals who point their own aerials towards Britain, but they are alarmed about the growing practice of cable companies picking up the transmissions on specially built equipment and relaying them to local audiences.

Britain takes a strict line over its relay systems restricting them to the rebroadcasting of such material as is normally received in the area. The main purpose of the restriction is to prevent competition with the BBC or ITV companies.

Many foreign Governments have no such protection and relay companies can put out what they like.

Leyland plans heavy truck

LEYLAND IS tooling up at its former Guy Motors plant at Wolverhampton for the introduction of a new heavy duty truck in 1978. The plant, which employs more than 700 workers, produces 15 passenger service vehicle chassis a week at present. They are the Victory J range of single-deckers, mainly for export.

SNOW REPORTS

	Depth (cms.) L	Depth (cms.) U	State of Piste	Weather	°C
Champery	80	200	Good	Fine	−5
Superb deep powder skiing.					
Courmayeur	165	240	Good	Fine	−4
New snow on good base.					
Crans-Montana	140	230	Good	Fine	−8
Powder on hard base.					
Davos	125	180	Good	Cloud	−7
Some runs closed avalanche danger.					
Kitzbuhel	85	150	Good	Snow	−2
Deep powder, excellent skiing.					
Lermoos	100	170	Good	Snow	−1
New snow on hard base.					
Les Arcs	110	210	Good	Sun	−7
Perfect skiing conditions.					
Les Menuires	75	200	Good	Fine	—
Good skiing conditions.					
St. Moritz	80	175	Good	Fine	−13
Excellent skiing on piste.					
Seefeld	60	110	Good	Snow	−1
New snow on fair base.					
Val d'Isere	110	210	Good	Fine	−10
40 cm. of new powder.					
Verbier	80	170	Good	Fine	−2
Superb skiing conditions.					
Villars	75	150	Good	Fair	−2
Superb skiing conditions.					
Zurs	120	160	Good	Snow	−8
Snowing, bad visibility.					
ITALY					
Claviere	125	210	Good	—	—
Cortina	120	220	Good	—	—
FRANCE					
Chamonix	90	200	Good	Cloud	—
Courchevel	60	150	Good	Cloud	—
AUSTRIA					
Ischgl	90	180	Good	—	−6
Lienz	80	200	Good	—	−12
Mitterndorf	100	170	Good	—	−6
NORWAY					
Finse	95	110	Good	—	−17
Geilo	110	120	Good	—	−10
Lillehammer	90	145	Good	—	−5

The above reports supplied by representatives of the Ski Club of Great Britain.

SCOTLAND

Cairngorms: Main runs all complete, new snow. Vertical runs 1,600 feet. Access roads icy.

Glenshee: All runs complete, ample nursery areas. New snow on a hard base.

Glencoe: All runs complete.

Foundations for centralised bargaining

BY ARTHUR SMITH, Midlands Correspondent

EFFICIENCY in production is the key to the success of Leyland Cars. Under the ambitious programme drawn up by Lord Ryder, chairman of the National Enterprise Board, to keep the company in the big league of car assemblers, productivity must by 1980 be raised from the current levels of around seven cars a man each year to the Continental achievement of 12 cars.

Heavy investment in new machinery, particularly on the Mini replacement programme, should help. But the issue is more immediate than that. Over the past 12 months output has been held back by a series of internal industrial disputes and strikes by outside suppliers, such as Rubery Owen.

Leyland Cars suffers both from its history and from the strains created by nearly two years of incomes policy. The present company, with a 120,000 strong labour force, has had to cope with a chaotic legacy of differing wages and fringe benefits. With 117 bargaining units, hard-fought pay negotiations are under way in one plant or another throughout the year. From the management point of view, no concession can be made to any plant without running the risk of re-opening talks on an agreement reached earlier elsewhere. For the unions, the aim is to wring out of the company better terms than achieved by workers in neighbouring plants.

The situation has been exacerbated by Government pay restraint. Under the rule that no new agreement can be implemented within 12 months of the one it replaces, it has been impossible for Leyland to effect any move towards a common starting date for negotiations. More-over, the across the board £6 and then 4.5 per cent. limit on wage increases has flattened differentials and led to mounting unrest over anomalies and the structure of earnings.

The campaign by shop stewards within Leyland for a return to free collective bargaining when the present pay phase runs out on July 31 is gathering pace. Early next month the unofficial but powerful British Leyland stewards' combine seems likely to adopt a resolution calling for the abolition of controls on pay.

Concessions

Given these problems, the agreed package of fringe benefits that the company announced yesterday it was putting to the workforce, can be seen as a considerable achievement. In four months of negotiations, which came close to breakdown in mid-November, an ad hoc committee of 26 senior stewards and five managers has hammered out a deal which goes to the heart of the company's problems.

The two sides have used to the maximum the areas for negotiation within the present phase of pay restraint and even reached agreement that, subject to Government relaxation of the 12 months rule, all wage agreements will start from November 1 this year.

Management concessions on injury and sickness benefits, lay-off pay, and redundancy awards are generous and represent a sincere move to give manual workers greater security of employment — an initiative that should contribute to increased understanding and a happier industrial relations climate over the difficult months which lie ahead.

But the deal is not all one way. The unions for their part, as a gesture of good intent, asked for the insertion of a clause to the effect that members would "co-operate in substantially reducing unauthorised absence and unconstitutional industrial action." Senior stewards are as conscious as management that continuity of production is the key to the achievement of the output targets necessary to make the company viable. Apart from vehicles lost during strikes, productivity in the intervening period tends to be lower than during a continuous stretch of trouble-free production.

Agreement by the stewards to lend their weight in trying to curb wildcat strikes is a significant move given the pressures upon them from frustrated factory floor workers. Nowhere is this more evident than in the novel clause by which any individual worker stands to lose his entitlement to a whole quarter's lay-off benefits if he takes part in any unconstitutional industrial action which lasts for half a shift or totals eight hours in all.

To be constitutional, a stoppage or other form of militant action can only take place after the dispute has been put through the internal negotiating procedure and five working days notice given. Of the hundreds of incidents which have disrupted Leyland production over the past 12 months, those which are constitutional in this sense can be counted almost on the fingers of one hand.

The penalty clause should provide a powerful incentive to put issues through the formal procedure — all the more so under the new benefits being offered by management. The new terms for lay-off pay put Leyland well clear of the other major car assemblers.

For disputes within the plant, the situation remains unchanged and workers get no lay-off pay. But for time lost for reasons outside the control of Leyland Cars, employees will have their entitlement of seven days a quarter at 80 per cent. of full pay extended to 15 days at 100 per cent. This means that workers will enjoy full pay for up to three weeks as a result of being made idle by a dispute at a components supplier such as Rubery Owen. The Leyland deal compares with 20 days a year at full pay offered by Vauxhall, 20 days at 80 per cent. by Ford, and 20 days at 70 per cent. by Chrysler.

Putting all the Leyland plants on the same terms for lay-off pay will remove the present disparities and eliminate another important source of dispute.

But hopes for a long-term solution to Leyland's industrial relations problems must rest on the agreement that from November 1 wage deals will have a common starting date. For the first time, it will be possible to examine relative earnings and wage structures on a cross-company, rather than purely plant basis.

How much cash

This development will give a powerful impetus towards Ford-style negotiations where one National Joint Negotiating Committee decides pay and conditions for all 55,000 U.K. manual workers. While that is the direction in which Leyland management is pushing, they will not be anxious to force the pace too quickly. Certainly opinions among Leyland trade unions about whether central bargaining would mark an advance or not are divided. But the voices of stewards who argue that present plant-level negotiations tend to be a sham and that greater advances could be made by forming a united front are tending to come to the fore.

Before the plant negotiations open, perhaps just after the end of the summer holidays, it will be necessary first to hold a central meeting for unions and management to agree how much cash should be made available for each plant. The fact that by then a common base for fringe benefits should exist will transfer another important area of discussion to the central arena.

The crucial debate that must take place among the unions over the months up to August is whether members' best interests will lie in a "half-way house" situation or in centralised bargaining. The choice appears to rest between each plant deciding what its internal structure of earnings should be, and accepting the anomalies in relation to other Leyland factories, or switching the negotiations to a central forum where company wide agreements on the correct payment for all grades of workers can be determined.

Certainly it is the long-standing philosophy of Leyland management that particular types of workers, be they in the toolroom or on the assembly line, should earn the same as their colleagues regardless of plant or location.

The most likely way for the debate to proceed is through the formation of another ad hoc committee. The present body, which still has to draw up the detailed terms of agreement on fringe benefits, may take another month or two to complete its work. Authorisation would then be needed from the shop floor trade union membership on the terms of reference for a committee to examine the wider issues.

Mr. Geoffrey Whalen, personnel director for the car division ... policy to raise benefits and status of manual workers.

Important as the advances in the package now under consideration by the Leyland manual workers are, they should not be viewed in isolation. The greater job security which the deal will bring to blue collar workers is a logical development of the philosophy adopted by Mr. Pat Lowery, now a main board director, when he arrived as head of Personnel for the old British Leyland in 1970. The policy which he initiated and is now being pushed through by Mr. Geoffrey Whalen, personnel director for Leyland cars, is to raise the benefits and status of the manual workers closer to that of staff.

Steps along the way have included the doubling of holiday pay from half the level ... normal earnings, the introduction of a pension scheme, ... now injury and sick pay ... which aims at making ... difference between state we... and normal pay.

Basic to such improve... is the belief that ... workers, once accorded st... and responsibility, will ide... their interests with those ... the company and make a ... contribution to its su... Linked to the concept ... Leyland experiment in wo... participation—a venture ... to come up for review but ... both sides are likely to ex... satisfaction with its opera...

PARLIAMENT

Judd hopeful on overseas aid

By John Hunt

MR. FRANK JUDD, new Minister for Overseas Development hopes it will not be necessary to make reductions in existing cash allocations for overseas aid despite the cuts of £50m. for 1977-78 and £50m. for 1978-79 announced in the Chancellor's Mini-Budget.

At the same time, he told the Commons yesterday, it may not be possible to maintain all programmes to their full value in real terms.

"The reductions also mean that we shall have greater difficulty over this period both in responding to new situations and in taking on new commitments."

Nevertheless, he hoped that in 1977-78 he would be able to find room for increasing support for multilateral efforts and initiatives, particularly those to help the poorest.

He stressed that the Government did not wish to minimise the implications of the cuts and admitted that his department would not be able to undertake all it had hoped.

There would, however, be no need for a change in overall strategy.

A study is now underway to work out the effect of the cuts on programmes.

Polio vaccine

The chances of paralytic polio arising as a result of vaccination are "very small," Mr. Roland Moyle, Minister of State for Health and Social Security, said in a Commons reply.

TRIBUTES TO LORD AVON

Voice of truth and honour

HUNDREDS OF MPs sat silently in the Commons yesterday to hear a tribute from the Prime Minister to the late Lord Avon, a former Prime Minister and Foreign Secretary.

Recalling Lord Avon's role as Foreign Secretary, to which he was appointed at the age of 38, Mr. Callaghan said: "He seemed to be a voice speaking out for truth, decency and honour.

"He was young; he spoke up clearly; he stood for the principles of the League of Nations and the Covenant; he opposed the growing powers of Mussolini and Hitler."

Lord Avon, then Anthony Eden, "seemed to us to be the saving grace of the Administration." He had symbolised the opposition which the British people felt to the insatiable demands of the dictators.

Eden had finally broken with the Government and had resigned in 1938. "He was right to do so—nothing became him so much as that courageous stand."

Eden had thought at the time that he would never return to office, but he had returned very quickly when the war came.

Judgment

"Whatever our party differences and our final disagreements, we will always remember him . . . for the judgment and courage of his act of resignation."

Looking at Lord Avon's period as Prime Minister, Mr. Callaghan commented: "We have to accept that his name can never be dissociated from the ill-advised Suez adventure."

"When we heard that British troops were actually going ashore in Egypt, the news came as a thunderbolt. His action seemed totally out of character."

But Eden never changed his view about the correctness of his policy. He honestly believed that he acted in the interests of his country. Eden behaved as though Britain was still a great power, and he had to confront a crisis which showed that she was not.

It was a period in which Britain failed to recognise that her role in the world had changed since Eden first became Foreign Secretary 20 years before. He was the victim of that period rather than the villain."

Mr. Callaghan wanted to make it clear that Eden always had the affection and respect of the House, as a Parliamentarian who combined a unique expertise in foreign affairs with great determination and great courage.

Mrs. Margaret Thatcher, Leader of the Opposition, said: "The death of Anthony Eden takes from us a distinguished statesman, a gifted Parliamentarian and a courageous politician."

He had longer foreign affairs experience than any Prime Minister since Palmerston, yet in home affairs he emphasised individual responsibility and decision.

"He, more than anyone else, impressed on the country the merits of a property-owning democracy."

Eden's decisions on overseas matters would long be a subject of debate "That the principal aim of his every action and policy was the benefit of Britain and the good of the international community, has never been in dispute."

His war experiences were etched on his mind, leading to his great ideal of a new international order between nations, founded on mutual respect and undertakings, and mutually honoured."

The news of Eden's resignation as Foreign Secretary shocked Britain, at a time when Britain, not America, played a leading role in world affairs.

But Eden's activity in the Foreign Office should not be forgotten in the post-war period, in the Persian dispute, in Indo-China and in Europe. These were all personal triumphs for him, and they enhanced Britain's international standing.

Mr. David Steel, the Liberal leader, said Lord Avon was one of the few men in recent history who had served this country over such a long period with a pre-eminent combination of physical and political courage.

Mr. Edward Heath, the former Tory leader, said the one thing which governed Eden's actions right to the end of his political career was the passionate belief that in the ultimate interest of world peace it was necessary to ensure the maintenance of the framework of international law.

Mr. Reginald Maudling, until recently Conservative Foreign Affairs spokesman, added that all who knew Lord Avon would cherish his memory with deepest respect and abiding affection.

Mr. Dudley Smith (C., Warwick and Leamington) said that for over 30 years, Eden was MP for Warwick and Leamington.

The overwhelming majority of citizens there would like to subscribe to the tribute paid by the Prime Minister, the Leader of the Opposition, and others.

Mr. Dennis Skinner (Lab., Bolsover), protested that the decision of the House to adjourn

Mr. William Whitelaw, Tory home affairs spokesman, commented: "This is one of the most serious breakdowns in immediately after the tributes had been paid—a traditional mark of respect to former Prime Ministers—was an "affront to ordinary working people."

Mrs. Thatcher and the great majority of her supporters staged a dignified walk-out.

Rees calls for prison inquiry

MR. MERLYN REES, the Home Secretary, told the Commons he had called for an immediate inquiry into security at Leicester Prison, after the escape of Thomas William Hughes who later killed four people, before being shot by police marksmen near Macclesfield, Derbyshire.

The inquiry by the Chief Inspector of the Prison Service would also cover arrangements for escorting prisoners to courts, he added.

Mr. Rees told MPs he intended to publish the Chief Inspector's report.

WestLB

The Board is pleased to announce the official opening of the Bank's Tokyo Branch on January 24th, 1977.

Martin Kohlhaussen and Klaus R. Schröder, General Managers, will be delighted to advise you in all matters concerning your banking needs in Japan.

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LABOUR NEWS

Union sets 18p limit in bread boycott

By Alan Pike, Labour Staff

DELEGATES of the United Road Transport Union agreed yesterday to boycott shops selling bread at less than 18p for the standard loaf.

Until now, official union policy has been to refuse to supply supermarkets which sell bread at less than 17p, but militant members in the London area have been imposing their own tougher minimum of 19p a loaf.

The union will now adopt 18p as a standard national minimum price below which shops will be denied supplies, subject to the approval of the union's executive, which meets on Saturday, and branch meetings.

At a meeting in Manchester yesterday union delegates decided on the new price by a 64-63 vote. The decision should end some of the confusion over action by URTU members in various parts of the country.

The union's previous policy of refusing to supply bread at less than 17p per loaf was heavily defeated at yesterday's meeting. Delegates agreed that the present practice of price fixing was more effective than strike action over the issue.

The union is opposed to new bread discount arrangements introduced by Mr. Roy Hattersley, Prices Secretary, because it claims that they will force small shopkeepers out of business, reduce delivery work for drivers, and ultimately increase bread prices.

Mr. Jackson Moore, general secretary of the union, said yesterday that he had received "hundreds of telephone calls" from small shopkeepers and housewives supporting the union's action.

The Advisory, Conciliation and Arbitration Service has begun inquiries into the dispute and Mr. Moore said that he would be meeting representatives in London to-morrow. Efforts to arrange a meeting with Mr. Hattersley had failed, he said.

Leaders of the Shop, Distributive and Allied Workers' Union say they have not yet been notified that any of their members are involved in the dispute, but if any were being adversely affected by bread pricing policies the union would defend its members interests.

"We are not prepared to subsidise the consumer by letting shop or delivery workers cut down their income."

Workers plan Courtaulds co-operative

By Our Labour Staff

WORKERS AT Courtaulds, Skelmersdale, Lancashire weaving mill, which closed last month as part of the company rationalisation, are campaigning to re-open it as a workers' co-operative.

The Amalgamated Union of Textile Workers said yesterday that representatives of 672 of the 1,000 workers who lost jobs voted to go ahead with plans for a co-operative.

Production workers, craftsmen and clerical staff were supporting the proposal and steps were being taken to win the support of specialist sales and accountancy staff.

Militants urge rejection of pit retirement plan

BY ROY ROGERS, LABOUR CORRESPONDENT

A LEFT-WING campaign was started yesterday urging miners to vote against the early retirement proposals recommended for acceptance by the National Union of Mineworkers' national executive.

Leaders of the traditionally-militant Scottish and Yorkshire miners were nearly unanimous in their rejection of the plans, which are to be the subject of a pithead ballot later this month.

Nearly 300 delegates representing Nottinghamshire's predominately moderate miners came down heavily in support.

The Nottinghamshire decision is seen as much more significant than the predictable voting of the Scottish NUM delegates and the Yorkshire area NUM council.

It was the Nottinghamshire miners who drew up the initial demand for retirement at 60 from the beginning of this year, reducing in stages to 55 by 1980.

If the Nottinghamshire miners endorse the compromise proposals, as seems likely, it should ensure a clear majority for the national executive's line.

The scheme negotiated by the executive involves voluntary retirement at 62 from next August for men with 20 years' service underground. This age limit will be gradually reduced to 60 by 1979. Those opting for early retirement will receive lump sums of £500 plus 80-90 per cent. of previous earnings until they reach 65.

Joint approach

There are to be further negotiations with the National Coal Board aimed at bringing other surface miners into the scheme.

Left-wing opposition to the proposals will centre on the issue of the surfacemen and on demands for increasing the lump sum payments.

● Preoccupation with the early retirement negotiations has delayed progress on other key issues such as industrial democracy.

However, the Board and the mining unions are due to meet shortly to discuss a joint union approach to greater participation in running the industry.

The NUM, the National ... ciation of Colliery Ove... Deputies and Shotfirers an... British Association of Co... Management have agreed ... target of 14-man joint co... tees to run individual pit...

They want the new co... tees to take over from the ... ing consultative committees ... have responsibility for co... objectives, action program... monthly results and per... ance, technical inspections ... safety.

In spite of strong encou... ment from Mr. Anthony W... wood Benn, the Energy S... tary, the mining unions ... shown little enthusiasm for ... representation on the B... itself. Now they and the B... have come out against a su... tion from the National Eco... Development Office for ... policy councils to be set ... plan the strategy and m... the performance of p... sector industries.

Mr. Joe Gormley, the ... president and Sir Derek ... Board chairman have ... jointly to Mr. Benn ou... their opposition to the prop...

Boilermakers likely to urge shipyard men to end strike

BY OUR LABOUR STAFF

STRIKERS AT Cammell Laird's Birkenhead shipyard will probably be urged by leaders of the Boilermakers' Amalgamation to-day to call off their 12-day-old action which has halted building and caused 4,000 men to be laid off.

Mr. John Chalmers, general secretary, and Mr. John Hepplewhite, of the union's national executive, are expected to address a meeting of the 450 platers and shipwrights on strike in Liverpool this morning.

Last night they were talking to strike leaders in an effort to persuade them to let the union and the company discuss the men's grievance while they returned to work.

The strikers—skilled men—have been pressing the company to restore a £2-a-week training allowance that was paid for only two weeks in July, 1975, and withdrawn when a flexible working proposal supported by the union was voted down at a mass meeting.

The company, which is State-owned, has refused to restore the payment since the pay policy limits were introduced in August, 1975.

Behind the strikers' action lies a more general grievance about the way two stages of pay control have narrowed their pay differentials with other workers at the yard.

The company said yesterday that work could restart to-morrow if to-day's mass meeting decided to call off the action.

● Leaders of the Confederation of Shipbuilding and Engineering Unions are to meet Mr. Eric Varley, Industry Secretary, on Thursday to express their fears that the fortunes of the shipbuilding industry will decline still further before nationalisation.

Salt mine dispute referred to court

By Our Belfast Correspo...

A DISPUTE over union re... tion which has halted produ... at an American-owned salt ... in Ulster is being referre... the industrial court.

It will be the first case in ... Province to come before ... court.

The Labour Relations A... has issued a certificate to ... bers of the Transport ... General Workers' Union ... the failure of Irish Salt ... and Exploration to comply ... recommendation to grant ... recognition.

The certificate is the fi... be issued by the Agency ... it was set up last October ...

Production at the mine ... Carrick-Fergus, Co. Antrim ... been at a stand-still for ... two months since the dis... of two men and the suspens... 30 toilers over the questi... union membership.

A claim against the co... alleging unfair dismissal ... shop steward will be heard ... industrial tribunal in Belfa... Thursday.

● A joint initiative by ... TUC and the Irish Confeder... of Trade Unions to ... peaceful settlement in Nor... Ireland was proposed in ... burgh yesterday by Mr. ... Barr, a past president of ... ICTU, writes Ray Perman...

Mr. Barr said there shou... a joint approach to the B... Government to introduce a ... of Rights and adopt the six ... declaration by the Irish ... union movement as the bas... which a devolved Parlia... could be established in Nor... Ireland.

The six points are the ri... live without violence, ... tarianism, or discrimination ... right to work; the rig... associate freely and adv... change by peaceful means ... right to decent housing; ... right to education; and the ... to adequate social services.

Union dispute threatens oil industry contract

VICKERS could lose an important off-shore oil industry contract because of a "who does what" dispute between unions, the company claimed yesterday.

The row over pipe welding is between four unions—the Boilermakers Amalgamation the Amalgamated Union of Engineering Workers, the Electrical and Plumbing Trades Union and the Coppersmiths Union. It threatens Vickers' debut in the lucrative pipe production industry for off-shore fields.

Vickers said at Barrow that companies being invited by the customer to tender for the contract had to give an undertaking that work would not be interrupted by industrial dispute. Although boilermarkers had agreed to go to arbitration, "the plumbers and coppersmiths are quite intransigent in their attitude."

Mr. George Allewell, the Barrow district delegate for the boilermakers, said: "They should tender for the job now and this matter can be resolved; there is no doubt about that.

"The trades unions have enough commonsense to resolve this. Nobody can ever guarantee to a customer that there will be no industrial unrest."

The Management Page

EDITED BY JOHN ELLIOTT

Geoffrey Owen explains how a diversified U.S. company with a disappointing profit record has used the 'experience curve' theory to help it analyse and replan its business interests

Borg-Warner rationalises its products

"YOUR SALES in the last ten years have more than doubled and your earnings have stayed flat. Your long-term debt has increased tenfold and your return on equity has been cut considerably. What has the company been doing wrong?"

This was the question put to the management of Borg-Warner at a meeting of security analysts just over a year ago, and it was difficult to answer. Yet Borg-Warner has just been chosen by Robert Bosch, the big German manufacturer of automotive components for its biggest investment in the U.S.; under a provisional agreement announced last month the German company is subscribing for 2m. new shares in Borg-Warner, costing $62.9m. and representing 9.3 per cent. of the share capital. Evidently the Bosch directors believe that whatever had been going wrong is now being put right and that the association will prove rewarding.

Their confidence must be partly based on the results of an agonising reappraisal which Borg-Warner set in train during 1975. Three main reasons for the company's poor performance were identified.

New ventures

"First," Bob Bass, the 59-year-old president of the company, explained recently, "we were doing too many things in too many places: some of the new ventures we had started owed more to enthusiasm than to sound economics." Second, the company was heavily dependent on three markets—transportation, housing and consumer products—which had been hit exceptionally hard by the 1974-75 recession: "We needed to improve our business mix," says Bass. Third, Borg-Warner had to manage its assets more intensively, through tighter control of stocks and working capital and a more selective approach to capital expenditure.

Like many American companies, Borg-Warner had been infected by the performance cult which was dominant in Wall Street during the sixties; the stock market would hardly look at a company with a growth rate of less than 10-15 per cent. a year. Now the emphasis is all the other way; the quality of earnings is what counts. Fortunately Borg-Warner never reached the stage where it had to sell off assets at distress prices simply to stay afloat. It has been able to work out a more constructive approach aimed not merely at immediate profit improvement, but at a coherent investment strategy for the long term.

Borg-Warner's analysis of its existing businesses was based on the "experience curve" theory developed by the Boston Consulting Group and described in the adjacent article. According to this approach, the company with the largest share of any market (which may be a segment of a larger market) gains "experience" which allows it to learn how to reduce production and selling costs faster than its rivals. If it then cuts prices in proportion, it can maintain satisfactory profits while taking business away from, or cutting the margins of, competitors who cannot reduce their costs as much because they have less experience. Thus the leading company's relative strength grows still more.

The planners broke down Borg-Warner's business into nearly 100 strategic business units, based on the markets which they served. There are usually several of these units within a division. For instance the York air conditioning division includes engineered products for office buildings, airports and other specialised buildings, standard units for the commercial and residential market, automotive air conditioning units, and refrigeration.

The planners' basic idea was to concentrate resources on those business units where Borg-Warner had, or could develop, a leading market position and to withdraw from activities which did not meet this criterion. There was an aerospace operation which accounted for less than 4 per cent. of total turnover. "We just did not have a critical mass," Bass explains, "so we sold it." A materials handling company was sold to Allis-Chalmers and, more recently, the plumbing products business was disposed of.

The detailed analytical work was handled by a newly formed development council, headed by the vice-president for technology, which reports to the corporate planning committee. This committee, under the chairman of the company, James Beré, has as one of its main tasks the formulation of a long-range programme to improve Borg-Warner's business mix, both by internal development and by acquisition.

The company's entry into the chemicals industry had been through its own research efforts and Borg-Warner now has a dominant position in ABS resins, a specialised plastic material. There is scope for expansion here; one big potential market is in plastic bottles for carbonated drinks, though Borg-Warner is more likely to attack it in co-operation with an established packaging company than on its own.

At the same time, Bass says that the company is looking aggressively for acquisitions. Ideally these should be in an industry with a different trade cycle from those to which the company is now tied, and the technology should be one which Borg-Warner people understand. Bass does not rule out a major purchase in Europe.

Bass is the head of the other main corporate committee, the operations committee. This body, which includes the heads of the main operating groups (transportation, chemicals, financial services, air conditioning and industrial products), is charged with upgrading the efficiency of existing businesses. After running several computerised financial models, the planners had worked out target ratios in each division for selling and administrative costs, inventory levels and so on; these are what line managers have to aim at.

Bass puts great emphasis on asset management. "Most line managers think in terms of increasing sales and improving margins. They are used to looking at the profit and loss account, but we have been teaching them to take the balance sheet more seriously, to look harder at inventory levels and accounts receivable. We have educated them to use their assets more effectively; in 1975 we took $100m. out of inventories."

As Bass sees it, the days when cost increases could quickly be recouped by price increases are gone for ever. "Productivity is not just a matter of what happens on the shop floor. It's a question of how you buy materials, how you ship the product to the customer and all the other details of the business." Just as the company's asset base should be continually pruned to improve profitability, so the product range within each business should be reduced and marginal lines discontinued.

Investment

The reappraisal has involved greater emphasis on investment in the U.S. In recent years the capital budget has been split about 60/40 between non-U.S. markets and the U.S. In 1977 and 1978 the allocation will be about 70/30 in favour of the U.S. This does not, however, imply disengagement from Europe.

In the U.K., which is the biggest area of investment, Borg-Warner is completing a large expansion of its chemical and plastics facilities in Grangemouth. In Holland it is building a facility to manufacture and test coolant pumps for nuclear power stations, a market in which it has a strong position in North America. The plan is to make joint arrangements with local companies to participate in Europe's nuclear power programme.

The European demand for automatic transmissions was badly over-estimated and Borg-Warner's two U.K. plants are working well below capacity. But there is no question of closure. The policy is to reduce costs to match the current level of business and to develop new customers and new product lines.

Bringing costs down and margins up has been the top priority in 1976 and Bass is encouraged by the results. In the first nine months margins reached 4.3 per cent. against 2.7 per cent. in the previous year. The debt/equity ratio has been cut from 45 per cent. to 25 per cent. and for 1976 as a whole the company expects to achieve a return on equity close to 12 per cent., compared with an average of 8.8 per cent. in 1971-75. By using what is referred to as the "homing" process, the aim is to produce a return on net assets at the divisional level of at least 30 per cent. by 1979; this is the minimum considered necessary in view of inflation.

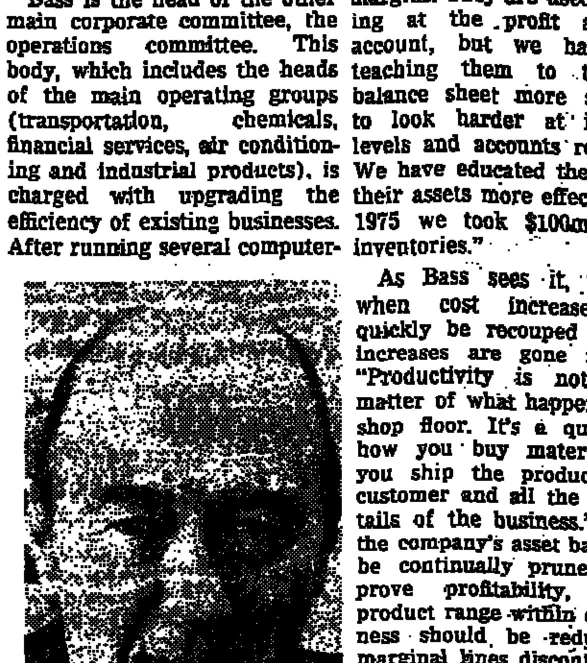
Much of the improvement will come from higher productivity, but Borg-Warner will also seek to develop—or acquire—more businesses in the "star" category: the association with Bosch may open up some new opportunities of this kind. But any investment will have to meet the stringent financial criteria which now govern Borg-Warner's forward planning. Growth for its own sake is a thing of the past.

1975 SALES AND EARNINGS BY PRODUCT

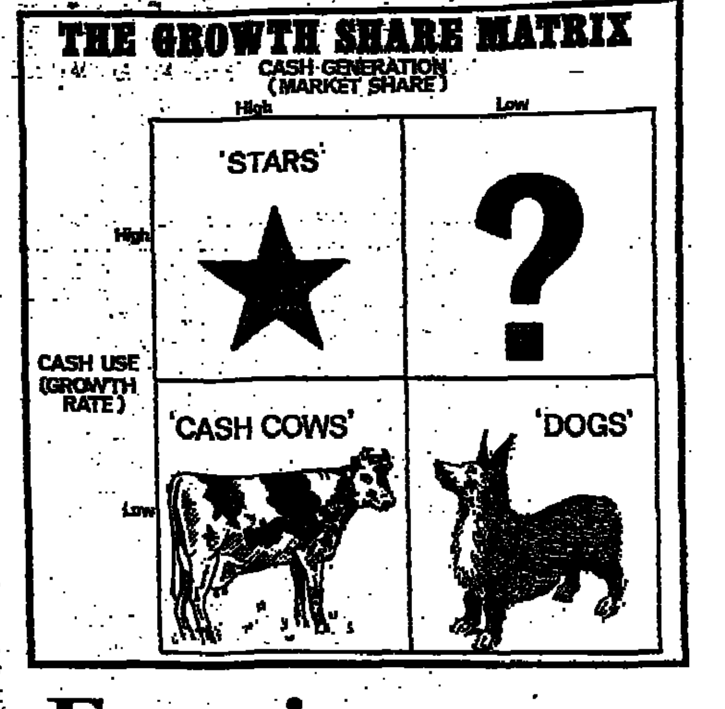
	$m. Sales	$m. Earnings
Air conditioning	330.6	4.6
Chemicals and plastics	278.9	(2.3) loss
Industrial products	378.6	17.6
Transportation equipment	620.6	15.6
Financial Services		8.1
Discontinued operations	30.3	0.9
TOTAL	1,639	44.5

1975 SALES AND EARNINGS BY GEOGRAPHICAL AREA

	$m. Sales	$m. Earnings
U.S.	1,161	38.2
Europe	245	(5.2) loss
Australia	122	4.4
Canada	84	4.2
Other	27	2.9
TOTAL	1,639	44.5



Faced with the problems of the geographical and product spread shown above, Borg-Warner, under its president Mr. Bob Bass (right), set out in 1975 on a major reappraisal of its operations.



Experience curve

THE PRINCIPLE of the experience curve, as explained by Bruce Henderson, president of Boston Consulting Group, is that costs of value added decline approximately 20-30 per cent. in real terms each time accumulated experience is doubled. As a company increases its position of leadership in an industry and thereby gains experience, its ability to reduce costs faster than its rivals is enhanced. The experience curve, according to Henderson, is the combined effect of learning, specialisation, investment and scale. If a company has a market share twice as large as its nearest competitor, it generally has a cost advantage of at least 20 per cent.

A diversified company can use this approach to classify its various businesses and display them on what is called the growth share matrix, or product portfolio, illustrated here. Henderson warns that great care must be taken in product-market segmentation before drawing these charts; a company may be the largest in its industry but be the leader in no single market segment.

The "stars" are in the upper left quadrant. They grow rapidly and therefore use large amounts of cash. But because they are leaders in their market, they also generate large amounts of cash. Normally such products are about in balance in net cash flow. In Borg-Warner's case some parts of the chemical and plastics division might fall into this category. Over time growth slows and they either move down into the lower left quadrant—"cash cows"—or, if they fail to hold market share they move into the lower right quadrant and become, as the Americans describe their failed businesses, "dogs."

In "cash cow" businesses growth is slow but market share is high and they can be "milked" to generate more cash than can profitably be re-invested. As Henderson puts it, "cash cows pay the dividends, pay the interest on debt, and cover the corporate overhead."

In Borg-Warner some of the automotive component lines belong in this category. They are growing slowly, but because of the company's strong market position they generate considerable amounts of cash. This does not mean they can be forgotten about; they have to be managed efficiently, new products have to be developed to maintain market share, and customers have to be carefully tended. But they do not provide dynamic growth.

The "dogs," needless to say, should be disposed of as soon as possible. They may report a profit even though they are net cash users. "They are essentially worthless," says Henderson; "they are cash traps."

The really difficult management problems are posed by the question-marks in the upper right quadrant. These represent businesses where the company's market share is low; they are a long way behind the leaders in experience and the question is—can they catch up?

Because the businesses are growing fast they need a lot of cash—far more than they can generate. "They are the real cash traps and the real gambles," according to Henderson. They can require years of heavy investment. Yet if they fail to develop a leading market position, they just degenerate into large "dogs."

Achieving higher market share takes time and large amounts of cash. "Question marks can sometimes be big winners if backed to the limit. But most question marks are big losers."

Flexibility in closed shops

BY ALAN PIKE

MANAGERS ARE reminded that closed shop agreements can be considerably more flexible than is often realised in a guide published by the Institute of Personnel Management to-day.

The only legal restriction, says the guide, is that employees who object to membership on religious grounds may not be fairly dismissed from their jobs. But apart from this closed shop agreements — which the Institute advises should normally be agreed by a company only if union representation among its workforce is high — remain very much an area for bargaining and negotiation.

Within the framework of the law, continues the Institute, unions and managements are free to negotiate their own terms and these must depend upon the requirements and circumstances of a particular organisation.

Describing the closed shop as arguably the most controversial issue to emerge from the "mass of labour legislation enacted recently" the guide says that the main argument advanced by opponents of the closed shop is undoubtedly its effect on individual freedom of choice.

It removed from the average individual the right to belong or not belong to a union of his choice, but against this non-unionists were seen by advocates of the closed shop as "free riders."

Managements would not normally be expected to negotiate a union membership agreement unless representation was already high but it would be "wrong to be categorical" to put a percentage figure on this.

Closed Shop Agreements — a practical guide; IPM; £2, plus 35p postage.

BOND DRAWINGS

CITY OF OSLO
5¾% Bonds of 1964

S. G. Warburg & Co. Ltd., announce that the redemption instalment of U.S.$1,350,000 due 15th February, 1977 has been met by purchases in the market to the nominal value of U.S.$429,000 and by a drawing of Bonds to the nominal value of U.S.$921,000.

The distinctive numbers of the Bonds, drawn in the presence of a Notary Public are as follows:—

7186 to 7191	7198	7200 to 7203	7219	7231 to 7240
7242 to 7247	7249	7254 to 7261	7265 to 7269	7271 and 7272
7276 to 7260	7283 and 7284	7292	7307 to 7315	7319 and 7320
7324 to 7326	7345	7375 to 7381	7401 to 7404	7408
7410 and 7411	7415	7417 to 7427	7444 and 7445	7447 to 7451
7457 to 7459	7469 and 7470	7473 and 7474	7477 to 7480	7493 and 7494
7496 to 7504	7507 and 7508	7515 to 7519	7522 to 7530	7540 to 7548
7557 to 7559	7589	7592 and 7593	7621 to 7623	7626 to 7637
7571 and 7672	7683 to 7685	7736 and 7737	7743 to 7757	7770 to 7788
7831 to 7850	7859 to 7882	7884 and 7885	7899 to 7919	7924
7926 to 7930	7936 to 7939	7942	7949 to 7951	7957 to 7960
7974	7984 to 8004	8010	8022 to 8024	8037 to 8041
8045	8050 to 8061	8066	8087 to 8092	8128 to 8132
8143 to 8161	8163	8166 and 8167	8181 to 8183	8226
8232 to 8234	8236 to 8239	8260	8265	8315 to 8320
8329 and 8330	8343 to 8353	8391 to 8394	8396 to 8398	8406
8417 to 8421	8437 to 8442	10781 to 10785	10787	10789 to 10792
10806 to 10815	10828 and 10829	10846 to 10850	10876 and 10877	10883 to 10885
10889	10892 to 10902	10908 to 10911	10917 to 10920	10938 to 10952
10973 to 10982	11008 to 11012	11026 to 11030	11036 to 11039	11061
11063	11065 and 11066	11070 to 11096	11116 to 11130	11150 to 11162
11205 to 11209	11222 to 11232	11239 to 11243	11246 to 11264	11271 to 11280
11366 to 11371	11373 and 11374	11377	11412 to 11415	11423 to 11430
11435	11437 to 11439	11449 to 11451	11481 to 11488	11491 to 11493
11507 to 11510	11524 to 11537	11546	11566	11572
11574 to 11579	11586 to 11595	11605	11609 to 11614	11636
11638 to 11643	11646 and 11647	11659	11662 and 11663	11675 and 11676
11679 and 11680	11682 to 11685	11687 and 11688	11691 and 11692	11694 to 11704
11710 to 11714	11723 and 11724	11760	11763 and 11764	11777 to 11781
11784 to 11787	11804	11808 to 11812	11819 to 11831	11838 and 11839
11847	11858 to 11866	11872 to 11877	11974 to 11982	11984 and 11985
11988 to 11997	12003 to 12012	12030 to 12044	12048 and 12049	12054 to 12056
12091 to 12121	12128 to 12136	12143	12161 to 12163	12171 to 12178
12181 to 12183	12187 to 12190	12192 to 12200	12202 and 12203	12207 to 12209

On 15th February, 1977, there will become due and payable upon each Bond drawn for redemption, the principal amount thereof, together with accrued interest to said date at the office of:—

S. G. WARBURG & CO. LTD.,
30, Gresham Street, London EC2P 2EB.,

or with one of the other paying agents named on the Bonds.

Interest will cease to accrue on the Bonds called for redemption on and after 15th February, 1977. Bonds so presented for payment must have attached all coupons maturing subsequent to 15th February, 1977.

The following Bonds drawn for redemption on the dates below have not as yet been presented for payment:—

15th February, 1974

5619	5638 to 5649

15th February, 1975

1283 to 1285	1324	1328 and 1329	1342	1375 to 1378
1398 and 1399	1430 and 1431	1440	1457	1488 to 1497
1546 and 1547	1568 and 1569	1747	1873	1890 to 1892
2056 to 2065	2169	2298	2360 to 2379	2708

15th February, 1976

8482	8501	8509	8520	8522
8600 and 8601	8617 to 8621	8635 to 8637	8649 and 8650	8671
8689	8717	8721	8736 to 8739	8802
8849	8864	8941 to 8943	8967 to 8970	9011
9012	9014	9059 and 9060	9066 to 9070	9073 and 9074
9100 to 9110	9143 to 9155	9164 to 9173	9179 and 9180	9194
9337	9341	9349 to 9351	9496 and 9497	9500 to 9505
9576 to 9585	9587	9641 to 9647	9724	9765
9916 to 9919	9934 and 9935	10131 to 10136	10155	10184
10441	10646 to 10649	10661 to 10663	10752	10771 to 10775

30, Gresham Street, London EC2P 2EB — 18th January, 1977

Glossary of companies

THE MAJOR financial details of virtually all of the U.K.'s quoted industrial companies are contained in a book published by Jordan Dataquest. Companies are listed in the form of a league table based on value of sales, and the information covers items such as pre-tax profits, ratios of pre-interest profits to tangible capital employed, and net cash flow to net capital employed, along with stock and work in progress, exports, and the number of employees and their remuneration.

Top twenty league tables are also given on such things as highest profitability, profit margins, cash holders, wage bill payers and those paying the highest average wage. The publishers plan to up-date the details of the book on a regular basis, and the volume forms a companion to their other books covering Britain's top 1,000 private companies, foreign-owned companies, and 500 Scottish companies.

Britain's Quoted Industrial Companies 1976, Jordan Dataquest, 47 Brunswick Place, London, N1 6EE, price £12.50.

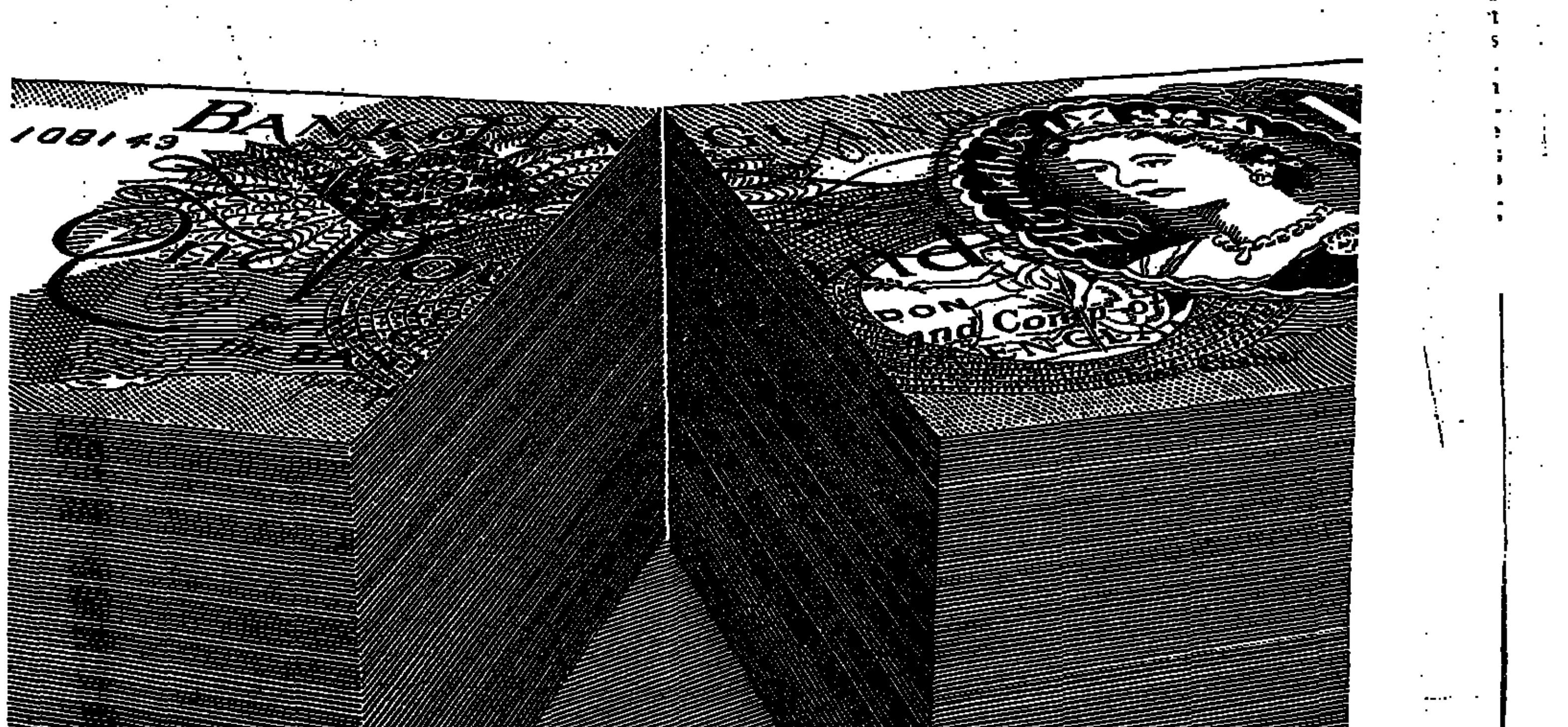
Business courses

Organisational Change Strategies, Brunel University, February 22-24. Fee: £100. Further details from The Secretary, Management Programme, Brunel University, Uxbridge, Middlesex.

Finance for the Non-Financial Director, Elvetham Hall, Hartley Wintney, Hampshire, February 14-15. Fee: £91.80. Further details from the Course Registrar, Charterhouse Management Courses, 40 Charterhouse Square, London, E.C.1.

Current Cost Management Accounting, Piccadilly Hotel, London, February 16-17. Fee: £90 plus VAT. Further details from ASM, 5 The Parade, St. Johns Hill, London S.W.11.

Updating Tax Planning—Recent Developments and Their Effect on Business Decisions. Piccadilly Hotel, London, February 22-23. Fee: £90 plus VAT. Further details from ASM, 5 The Parade, St. Johns Hill, London, S.W.11.



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TUESDAY, JANUARY 18, 1977

Enforcement of the law

THE ATTORNEY-GENERAL'S decision to refuse consent to a private legal action designed to stop Post Office workers banning mail and telephone services to South Africa raises two issues of great importance. The narrower question is whether Mr. Silkin was right on the issue itself. The Court of Appeal, in allowing an interim injunction against the postal workers last Saturday, took its stand on the relevant sections of the Telegraph Act 1863 and the Post Office Act 1953 which make it a criminal offence to interfere with the delivery of mail. The Master of the Rolls concluded that the *Executive of the Union* had encouraged a breach of the law, and that the Attorney-General had *failed to give his* consent to an action being brought to enforce the law of *the land. It is possible, of* course, that the Attorney-General will be able to justify *his decision on the grounds of* public interest when he appears before the Court this morning. *But on the face of it he has a* very heavy burden on his shoulders. The Attorney-General is not only a politician, he is in a special sense the guardian of the public interest. In this role his directions to himself must be unassailable in law and, as Lord Justice Lawton observed on Saturday, "a political reason is not necessarily a good legal reason."

Greater significance

But behind this question of the Attorney-General's conduct, lies another issue of even greater significance and very considerable difficulty. That is the question of the proper standing of the Courts in the matter at all. Until recently constitutional theory in this country has accepted two fundamental principles on this point. The first is that an individual citizen cannot bring an action for damages or restraint unless he himself has been damaged or threatened more than anyone else. Where the public at large is at risk the Attorney-General is responsible to Parliament for seeing that the public interest is protected and, where necessary, the law enforced. The second principle is that the Courts are responsible for judging issues between citizens and between citizens and Government when these are brought before them. But they are not responsible for the initiation of proceedings themselves or for encouraging others to initiate them.

Mr. Justice Stocker, to whom the Secretary of the National Association for Freedom first applied for an injunction against the postal workers, took the traditional view that he could not grant him relief because he had proceeded without the Attorney-General's consent. The Court of Appeal, however, has taken advantage of a doctrine which it has itself propounded in several cases during the last few years—namely, that the Attorney-General's *discretion can be* questioned in the Courts and if necessary overturned if it *appears he has no good legal* grounds for refusing the citizen access to a remedy at law.

There are good reasons both in theory and in practice for restricting the right of individual *pressure groups to represent* the public interest. And, if one takes a long view, it is *arguable* that the Courts are not the best place to decide the kind of questions in which political judgment in the widest sense is required to keep the peace. Courts such as the U.S. Supreme Court which play this kind of semi-political role have their advantages and disadvantages: but they belong to a system with quite different checks and balances from our own.

Suspicion remains

Nevertheless, the question clearly arises whether our own system can be said to be working *satisfactorily while there is* any doubt whether the Attorney-General's decision not to enforce *the law will be adequately* tested in the proper place—namely Parliament. It so happens *that thanks to the Government's* small majority, Mr. Silkin could be given a difficult *time during the course of the* next week if he does not withdraw. But the suspicion remains *that if the Attorney-General* were indeed to take a purely political decision in a matter *of this kind, and as a member* of a Government with a sizeable majority, Parliament would *be unable to do anything about* it. It is this loss of confidence in Parliament and its inability *to control the political excesses* of the Executive that has given rise to recent demands for a *Bill of Rights, and it is the same* feeling, ultimately, which presumably impels the Court of Appeal *to try and protect the* citizen where Parliament cannot. Whatever the real constitutional drawbacks to this trend, it is certainly inevitable and may even be desirable while Parliament offers no credible counterweight to Executive power.

Much better trade figures

DURING LAST year as a whole, it now turns out, the balance of visible trade was worse than in 1975: *the improvement* in the current balance from a deficit of £1.66bn. to one of £1.53bn. was entirely due to higher net earnings from invisible transactions, partly brought about by the fall in the sterling exchange rate. But at least the year ended with a heartening recovery. In November the trade gap had risen sharply to £509m., the third highest monthly figure ever recorded, because of a jump in oil imports ahead of an OPEC meeting which was generally expected to agree on another rise in prices.

Export volume

In December, however, the visible deficit dropped from £509m. to only £179m. and the current balance as a *whole* — on the basis of estimated net invisible earnings of £200m. a month—was *actually in small* surplus. Oil imports dropped, there were large exports of such "*lumpy" items as ships and* aircraft and other special factors which accounted for about one-*third of the overall improve*ment: the rest was due partly to price changes, with the terms of trade getting back to the level of October, partly to a recovery in the volume of exports.

This recovery in the volume of exports is particularly welcome, since higher export demand is one of the few factors likely to make for industrial growth this year. The volume of exports, after rising well in the first quarter and better still in the second quarter of last year, fell back in the third quarter. But September and October showed an improvement which, after a setback in November, has since become more marked. The average volume of exports in the fourth quarter was 5 per cent. higher than in the third and nearly 2 per cent. higher than in the second. If there are reservations to be made, it is more because of the performance of particular sectors than because of the overall trend. It is notable, for example, that the volume growth of manufactured exports was below average between the third and fourth quarters: exports of machinery, in particular, rose by only 2 per cent. against a rise of 11 per cent. for basic materials.

A similar situation can be seen in the import figures. The price of imported goods has risen with the depreciation *of* sterling but the volume of raw material imports — after a *bulge probably due to fear of* import controls — has fallen because of stagnant business *activity. Yet the volume of im*ported manufactures has not fallen as one might have hoped, *and that of semi-manufactured* imports has recently risen quite sharply.

Manufactures

It may be that fear of import restrictions affected even these latest figures to some extent, in which case the import bill may have further to fall. But it may also be that, even with industry as a whole working well below capacity, there are particular shortages which it seems more sensible to fill under present conditions by importing than by increasing capacity. The trade figures were welcomed in the foreign exchange market, as was proper, but the volume trend of trade in finished goods will need watching.

Nuclear strategy for Britain

By DAVID FISHLOCK, Science Editor

Nuclear protestors demonstrating outside the Windscale factory last year.

IN THE next few weeks the Labour Government, which launched Britain into nuclear energy in 1946, is going *to be called to account for* several decisions on nuclear energy it has either taken or *failed to face up to over the past* two or three years. It can take the opportunity to make a bold new start in an industry long bedevilled by indecision. Alternatively, it can to do what a handful of dedicated opponents of nuclear power dearly wish it would do—and not in Britain alone (see Page 4) — namely, renounce its nuclear option altogether.

Unfortunately, since the first choice implies not one but a series of crucial decisions, each of which the Government plainly has to get right in an atmosphere of conflicting and highly confusing pressures, the *risks of achieving the second by* default is very real. At least one senior energy official is *doubtful enough to rate, on past* performance, the Government's chances of getting each successive *decision right* as "just about zero."

Nevertheless, the process of *debate began last week, when* a study the Government asked *for last spring, on the parlous state of the U.K. power plant* manufacturing industry, came before the Cabinet's energy *committee. This study, by the* Central Policy Review Staff—the Cabinet's own private "*Think Tank" under* Sir Kenneth Berrill—found "parlous" to be an understatement *of the position of this major* capital goods industry.

It saw the industry as "under grave threat" and called for urgent action both by Government and the industry itself if it is not to undergo serious contraction and shed some 30,000 jobs before 1980.

The Think Tank offers a number of measures, some short-term and some longer-term, that might be taken to salvage the industry, first as a much-needed source of export earnings of the kind the Government wants to encourage—namely, high-skill, high-added-value—but also for future domestic electricity generating capacity. What the Think Tank does not perhaps point out bluntly enough, is that the Government has to be highly selective, for the various measures proposed are sometimes in direct conflict in terms of a national *strategy*.

To take the most obvious example, the proposal to bring forward an order for the *Drax B* coal-fired station, in order to inject £500m. worth of work *immediately into the industry,* conflicts sharply with the idea of merging the major contractors to *form world-size* producers of boilers and turbo-generators. Reyrolle-Parsons, delighted *by* the prospect of a repeat of its Drax A contracts, also sees it as *the way of avoiding any merger* of its turbo-generator interests with GEC.

Drax B also conflicts with another longer-term measure proposed by the Think Tank, that Britain should set up and find the resources for a major "turnkey" contractor capable of competing worldwide. Drax B can make no significant contribution to the resources of such a contractor, which on the evidence the Think Tank has gathered will be serving a predominantly nuclear market, to engineer to the standards now *being demanded than are the* nuclear fuel services such as reprocessing and enrichment, let alone the more *traditional* products of the power engineering industry.

But since no one can discern a significant domestic demand for more generating capacity before the 1980s, any serious Government decision to salvage the industry must be founded on help for exports. Since the export market accessible to Britain, as forecast by the Think Tank, is going to be predominantly nuclear, and since Britain certainly has no competitive reactor of its own, obviously it of selling any overseas even *then would be almost nil.*"

If the Government accepts the harsh facts so far, and *agrees to* import a foreign design of reactor, the next big decision concerns nuclear proliferation and its attitude towards the various prospective customers overseas. These are listed in the accompanying table, compiled by the Think Tank. Those who oppose nuclear power—and others on the left of the Labour Party—have striven to portray some of these nations—and not only those who have not ratified the Non-Proliferation Treaty (see table)—as more interested in

SHORT TERM MARKET PROSPECTS FOR U.K. POWER PLANT†

(000 MW)

Country	Installed capacity	Signed NPT*	Country	Installed capacity	Signed NPT*
South Africa	12.1	No	Argentina	9.6	No
Canada	55.4	Yes	Brazil	20.0	No
Hong Kong	2.6		Egypt	3.8	Not ratified
Australia	16.3	Yes	Indonesia	1.4	Not ratified
New Zealand	4.9	Yes	Iran	4.4	Yes
			Korea	5.1	Yes
			Kuwait	1.4	Not ratified
			Mexico	14.0	Yes
			Saudi Arabia	1.6	No
			United Arab Emirates	0.8	No
			Venezuela	5.1	Yes
	91.3			67.2	
			Total	158.2	

† These countries represented about 15 per cent. of world installed capacity in 1975, and can be expected to order units of over 60 MW "on a regular basis."

** Non-Proliferation Treaty.*

often combined with desalination—dual-purpose plant.

Even the one decision which is becoming easier for the Government as each day passes, as confidence in the British-designed reactor's performance rises—namely to order another advanced gas-cooled reactor (AGR)—can have nothing yet to contribute to the export market. This is not only because of the capital cost of the AGR—certainly higher than Drax B for the same output—but also because the system demands so much highly skilled work on-site. No-one can reasonably expect this position to change inside five years—if ever.

For the purposes of this article, it is assumed, first, that the Government wishes wholeheartedly to continue with a nuclear industry, both for its domestic needs and for prospective export earnings. It is also assumed that Britain will continue to build reactors, even though past performance leaves some room for doubt just how good British industry might become at this exceptionally taxing engineering exercise. Reactors are far more difficult must find a way of making the reactors its prospective customers want to buy.

This conclusion immediately demands two decisions from the Government. First, it must be willing to drop the U.K. thermal reactors and licence a U.S.-type light water reactor from one of the organisations—U.S. or German or Swedish—with licences to offer: and second, it must be willing to have them built in Britain, to show customers that we can and have no qualms about doing so.

In short, the Government must firmly renounce its decision of July, 1974 to launch a new thermal nuclear system, the "steamer" (SGHWR) no matter what the Parliamentary Select Committee may say in its report on the reactor to-morrow. It can plead that circumstances changed unexpectedly and decisively to invalidate the decision —taken in good faith at the time —to launch a new reactor with high hopes of eventually selling it overseas. The blunt advice of its Think Tank is that if the Government continues to rely on the steamer at least a decade will now elapse before it can be exported "and the chances nuclear technology for military than for civil ends. In deference to *its Left-wing*, the Labour Government let it be known, for example, that no export *licence* would be forthcoming even if GEC should succeed in winning the contract to supply turbo-generators for South Africa's first nuclear station. So GEC did not tender.

If the Government seriously wishes to build an export power plant industry for the 1980s and onwards, it must first make quite clear which, if any, markets it regards as proscribed. It may well be that there are too many nations on its "black list" to make the idea worth pursuing at all.

Provided, however, that the "accessible" market remains attractively large—and it would have to include above all the Middle East countries—the next crucial decision concerns the resources required to tilt seriously at the market. The Think Tank confirms a belief that has been growing in Whitehall that, since the most commonly demanded kind of contract is "turnkey," British industry must set up a turnkey contractor with sufficient resources and experience:

- to undertake large overseas project management;
- to co-ordinate marketing, sales and intelligence and at the pre-qualification stage to set in hand engineering and contracting arrangements;
- to insure at competitive rates the huge financial risks incurred in turnkey power projects from performance bonds, escalation, defaulting contractors, etc.

In the Nuclear Power Company, operating arm of the National Nuclear Corporation, the Government already has a turnkey contractor experienced in both nuclear and fossil plants for the home market. Given a willingness on the Government's part (as 50 per cent. shareholder) to see much of NPC's best management, and that of its major shareholders, channelled into exporting, with much more autonomy than it has as a captive supplier to the generating Boards, it should not be difficult for the company to achieve the first two basic requirements set out above.

But the crucial decision for Government will be whether it is prepared to underwrite projects valued at hundreds of millions of pounds, given for example the past record of the power manufacturing industry in delivery and performance, and its long history of subjection to the whims of the Central Electricity Generating Board. Moreover, in spite of the deliberation of various Whitehall committees, it still has no mechanism for underwriting "jumbo contracts" on the scale demanded.

At this point, the question of nuclear fuel services begins to loom large. Fuel services—uranium enrichment, fuel fabrication and the reprocessing of spent fuel—are an integral and indispensable part of nuclear plant operations. Britain's track record, moreover, is much better in exporting such services than in exporting reactors.

But the brightest export prospect in which it has fewest competitors, is the reprocessing of oxide fuel. The Government's decision just before Christmas to call in for public inquiry plans to build a large commercial oxide reprocessing plant at Windscale now places in jeopardy the whole of this venture.

Ministerial worries about Windscale seem to centre on two questions on which the Flowers Report (from the Royal Commission on Environmental Pollution) has stimulated widespread concern. One was the way the report—and more specifically Sir Brian Flowers himself in public statements — associated nuclear energy intimately with plutonium proliferation and the risks from ter[...] activities. The other wa[s the] long-term storage problem [asso]ciated with highly radio[active] spent nuclear fuel.

Already the Government [is] being pressed hard by B[ritish] Nuclear Fuels on such que[stions] as the delay likely fro[m a] public inquiry, the likeliho[od of] a favourable outcome, whether meanwhile it s[hould] honour existing contracts [and] continue to import spent [fuel] for reprocessing.

But the much tougher d[ecision] for the Government will [be] whether to try to dismi[ss the] scares raised by the Fl[owers] Report over the proliferati[on of] civil plutonium by disclosi[ng the] extent to which mil[itary] plutonium is already distri[buted] as weapons in Britain, and how much movement of w[eapons] has to take place betwee[n] stockpiles and the ordnan[ce fac]tory at Aldermaston. [The] Flowers Report simply sa[id] this was none of its busin[ess].

Conspicuously missing [from] the picture so far is any [refer]ence to the fast reactor, [once] claimed as Britain's best [hope for] an exportable reactor. [The] reason is that, faced [with a] sequence of no fewer [than...] critical decisions, each [of] which it must get right [if the] nuclear industry is to sur[vive in] a useful form in Brit[ain, the] Government is unlikely [to have] the stomach for a fast [reactor] decision.

The conclusion must [be that] any idea of a British com[mercial] fast reactor is dead [even] though Sir Brian Flowers [insists] in private that it was the Commission's intention [not to] damage this reactor, its [report] was written in such a wa[y as to] *focus all the nuclear* [...] society on the system.

The absence of a deci[sion to] build the 1,300 MW dem[onstra]tion fast reactor recom[mended] by the U.K. Atomic [Energy] Authority will probably [mean] that both the Authority a[nd the] CEGB will continue wi[th the] present R and D progr[amme] but only with the aim of [giving] the U.K. electricity indu[stry a] well-informed customer [when] the time comes to bu[y a] foreign design of fast [reactor].

One final decision st[ill has] to be mentioned. This is [a recog]nition by the Government [that the] monopoly electricity i[ndustry] must never again be allo[wed to] dominate the manu[facturing] policy of its suppliers [to the] detriment of the mark[et and the] market potential overs[eas. If] the Government is on[ly] made keenly aware, th[e...] of monopoly U.K. custom[ers...] engineering in most area[s other] than defence have ha[d disas]trous consequences for [ex]ports.

MEN AND MATTERS

Banking: a new Arab job . . .

Within the next month, details are expected to be announced of what Sabih Shukri says will be a unique financial institution: a new bank, Arab managed with Arab money, but based firmly in Britain. Shukri, 47, who has been in London for the last four years as chief manager of the Arab Bank, has resigned from that group to be chief executive of the new set-up.

That, for the moment, is about all he will say about the new operation. Shukri's obvious enthusiasm for the potential for Arab banking in the U.K. goes back some way: not only has he been responsible for building up Arab Bank business, but as an Iraqi was also in charge of the Iraq state bank's London operations in the mid-sixties.

Arab Bank was started in 1930 by Abdul Hameed Shoman, a resourceful Palestinian who founded the company with £15,000 of his own money after a spell in the States working in the Jewish-dominated textile trade. Arab Bank has grown to be one of the biggest in the Middle East. The founder died in 1974, and though the family shareholding had been reduced to 20 per cent., top management remained in the hands of Shoman's two sons.

Arab Bank's fortunes have fluctuated in the varying political climes of different Middle East States, branches in Iraq, Syria, Egypt, Libya and the Sudan having been nationalised. There has been something of a resurgence on the Egyptian scene, however, with opening of an office in Cairo to handle offshore developments. The *bank started life in Jerusalem,* and the creation of the State of Israel in 1948 was one of the *group's early problems;* Arab Bank annual reports in recent years have tended to press the anti-Zionist Palestinian cause.

Shukri joined Iraq's Rafidain Bank when he was 16, rising to be general manager in Baghdad in 1958. After his London stint (Rafidain and National Bank of Kuwait were the only two from the Arab world to open in Britain before the Arab Bank itself in 1973), he was regional manager for the Iraquis in Jordan for seven years, and it was there he got to know Arab Bank.

Shukri says that the company has operated "very successfully" here since 1973, developments having included the setting up of a joint merchant banking concern with Morgan Grenfell and the opening last year of a branch in Park Lane. Now, apart from preparing for the new bank, Shukri is also in chargeof a new publishing venture, the preparation of a *Who's Who of prominent Arabs;* that too is being put together in London.

. . . and an Italian job

As widely expected, an Italian banker Efraim C. Varesio, has been appointed as acting chief executive of Italian International Bank to succeed Russel Taylor who resigned as chief executive and managing director earlier *this month.* Varesio was the London representative of the Turin based Istituto San Paolo *di Torino, one of the four major* shareholder banks of IIB, for three years between 1968 and 1971. Since then he confesses his English has become "a little rusty" working as deputy director of San Paolo's international division in Turin and for the last year as manager of the bank's Bologna branch.

The 42-year-old Varesio emphasises the "acting" part of his new title as he is effectively on a six month trial period to try and sort out the loan portfolio on which IIB showed a £4m. shortfall last year.

Under his management IIB will, he says, put rather less emphasis on its merchant bank type of activities and concentrate on short and medium term international and foreign exchange operations with the stress on operations of direct interest to Italian companies. Most of the original loan operations made under the previous *administration concerned U.K.* borrowers.

"I want a good clean contest with no unfair perspiring."

Blacked mail

Remember the last postal boycott? It was in June 1973 when Post Office workers blacked all mail to France for a week as *part of an international protest* against French nuclear tests in the South Pacific. There was none of the constitutional row which has blown up over their latest attempt to black mails and communications with South Africa.

According to the union's deputy general secretary Norman Stagg yesterday, the Post Office merely informed the public that it could not accept mails for France for a week and said that mails in the pipeline would be delayed. And that to all intents and purposes was that. Then of course there was no National Association for Freedom to ask for an injunction against the union.

But it is not only the British unions who have their legal problems. According to the International Confederation of Free Trade Unions in Brussels German unions are legally bound not to interfere with trade and political strikes are also banned under the constitution. They are limiting their action to "protests and an *information campaign*" and in any case they have never been very keen on international soli*darity demonstrations* of this kind.

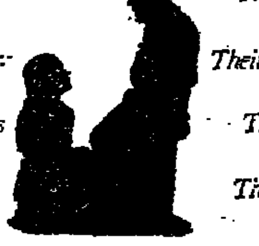
The Italian unions on the other hand, who have a well developed sense of international solidarity, are reportedly refusing to handle South African Airways flights into Italian airports this week while dockers in Australia, *Holland*, France and Britain are expected to join in the boycott. The Canadian unions meanwhile *have raised* a million dollars to help finance black trade unions in South Africa and the Norwegian unions have set up a half million kroner fund for the same purpose, the Confederation reports.

More, more

If you are in the business of making after-dinner speeches (and perhaps in the habit of borrowing Men and Matters jests) remember this golden rule: If you don't strike oil in the first three minutes, stop boring.

Observer

The Royal Navy
The Merchant Navy
The Royal Marines
Our Fishermen



Their disa
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King George's Fu
for Sailors
looks after them a

In this Country of ours, there is no-one wh[o is] not connected with the sea.

Half the food we eat comes from across the s[ea]. Many thousands of us, our relatives or friends [are] past or present members of one of the sea-far[ing] services, or of an industry dependent on them.

There are many charities for seafarers and th[eir] families. One, only one, however, is the *central cha*[rity] charged with collecting and providing funds fo[r] other seafarers' charities, and with making sure th[at] the money is distributed where it can be of most use.

That central charity is King George's Fund f[or] Sailors. Launched in 1917 at His Majesty's perso[nal] wish, KGFS distributes funds without distinctio[n of] service, of rank or of creed. The sole criterion i[s to] distribute the money to the areas of greatest need.

When you want to remember our seafarers [who] are in need, remember King George's Fund [for] Sailors. We'll see to it that not one penny of yo[ur] money goes to waste.

Please send your donation to:-

KGFS King George's Fund for S[ailors] 1 Chesham St., London SW1

THE FUND FOR CHARITIES THAT SUPPORT SEAFARERS IN NEED AND TH[...]

SOCIETY TO-DAY

BY JOE ROGALY

Throwing yet more money at urban slums

THE Government is in danger of embarking on a new policy that could turn out to be as costly and as useless as—well, not Concorde, since nothing can match that—but as, say, the present programme for building council houses at a price that nobody can afford, in order to house people who would by and large prefer a different kind of dwelling, at a time when the overall surplus of housing is growing and likely to accelerate.

If it is adopted, the proposed new policy will no doubt be called something grand like "revitalising the city centres," although the plain English would be "throwing yet more money at urban slums" and the even more accurate definition would be "stuffing cash into the pockets of the paper-shufflers who will manage the great new administrative bonanza."

It would be unfair to accuse the Government of having made any such decision yet (although governments of both parties have been carrying out policies very like the "new" one for the past 20 years) but the Cabinet is likely to be presented with a grand city strategy for its approval within the next month or so. The danger is approaching, and there is no comfort to be derived from saying "this has not yet happened," since the pressure of orthodox opinion behind the notion that something costly must be done about the centres of cities is both strong and growing.

It began to come to a head last September, with the appointment of Mr. Peter Shore to chair a committee of junior Ministers whose task is to devise a co-ordinated and inter-departmental policy for the decaying urban areas. It has quickly been discovered that there is some conflict between the several departmental perceptions of what they ought to be doing, but Mr. Shore hopes that by the end of next month he will have enough on paper to offer a respectable set of proposals to the Cabinet. These would then be published as a Green Paper, just before or just after the Budget.

While Mr. Shore and his officials have been at work, some of the fruits of the urban planning industry have been appearing in print. Last week we had the final reports of the Inner Area Studies of Liverpool, Birmingham and Lambeth, published by the Department of the Environment. Prepared by separate consultants, they call to a man for "more resources" (Government language for more money) to be devoted to the areas they have studied.

Next month Mr. Shore himself will open a "Save Our Cities" conference sponsored by the Calouste Gulbenkian Foundation and the Sunday Times; at least two other Ministers will speak at other sessions. The tone of the programme for the conference is highly suggestive of an eventual report that proposes a great deal more expenditure: with so many distinguished participants one would not wish to take prejudgment any further than that. Even so, I have my suspicions.

This afternoon the "National Community Development Project," which is under the wing of the Home Office, will publish a harrowing, and to the casual observer, neo-Marxist account of conditions in Batley, and parts of Birmingham, Newcastle, Newham and North

Terry Kirk

New and old slums at Bromley-by-Bow, East London.

Tyneside. When you know that there is a foreword by Judith Hart and a "does not necessarily reflect the views" disclaimer by the Home Office, the apparent starting-point — that only a "framework of radical economic policies" will suffice —comes as no surprise, any more than does the conclusion that "until policies are implemented which seriously challenge the rights of industry and capital to move freely about the country (not to mention the world) without regard for the welfare of workers and existing communities — who end up carrying the costs under the present system—the problems and inequalities generated by uneven capitalist development will persist."

It is unlikely that Mr. Shore will attempt to persuade Mr. Jim Callaghan's Cabinet to arrange the immediate overthrow of capitalism in order to solve the problems of city-centre decay, even to please Mrs. Hart, but to-day's report will certainly contribute to the mixed climate of guilt, muddle, political calculation and genuine compassion in which a big-spending policy could be created.

The astute reader might at this stage object that all is academic, since the International Monetary Fund has told us how much we may spend, and there is no room for more costly mistakes of the kind I am postulating. It is certainly true that there is a general understanding among those who are wrestling with Mr. Shore's brief that any new expenditure must be financed by "re-allocation," but when this is considered for just a moment, the possible emergence of a new venture that could run out of control is evident.

For the first question is, "just what is to be reallocated?" Nobody can say for certain just how much of the £11bn. or so of local authority spending is devoted to the areas of urban degeneration. Some effort might be made to calculate the amount spent on this by central Government, by adding up, say, £25m. from the Home Office urban aid programme, and rather larger amounts from the budgets of the Department of Health and Social Security, Education, Employment, Trade and Industry and the Environment. Nobody doubts that the total, on almost any definition, would be in excess of £1bn.: if you throw in the local authority contribution we are talking about an unknown number of billions of pounds. Unknown to you and me — and, so far as I can ascertain, unknown to the Government.

One strand of thought has it that such an arithmetical exercise would not be very useful, since the policies that Mr. Shore might propose could include, say, a reduction in incentives to industry to invest in or near new towns and an increase in incentives to put factories back in the cities. The economics of this would not be discovered by adding up only what is now spent in city centres.

It will be apparent that whatever is included within such vast sums, there is all the room in the world for such grandiose new gestures as—heaven forbid—a new national city-centre development authority (the idea has actually been put forward by someone purporting to be serious) or, nearly as bad, a fresh inter-departmental "plan" designed to drag unwilling factories to where they cannot make money, while keeping people who would like to live in suburbs with gardens near where the work can be found, penned in in rows of brick and concrete.

Grandiose

Any plan to divert people from New Towns to city slums (old slums or the new ones called council estates) would be even more costly in terms of human dissatisfaction. As Mr. Fred Roche, General Manager of Milton Keynes Development Corporation, said in a talk last week, more than nine out of 10 of the people leaving London moved to "unplanned" communities and less than a tenth move to new and expanded towns. Again, 70 per cent. of the jobs lost in London have simply "died," according to Mr. Roche (mainly because of GLC clearances and Government industrial development policies) while of the 30 per cent. that have moved, less than a third have gone to the new towns.

None of these arguments has yet been settled. It could be that at the end of the day all that Mr. Peter Shore's Green Paper will contain will be a few administrative changes designed to remove positive disincentives to invest in city centres, plus some sensible advice to local authorities about the cost of destroying small business premises when pulling down houses, and even a word or two to the effect that if you so bias transport policies against commercial road traffic that businesses cannot move, the produce companies will go elsewhere. If so, no harm will have been done.

Even better, the Green Paper could try something that I put forward merely as a piece of wistfulness, so alien is it to the kind of planners' mind that is being focused on the problem. It could ask, "how do we ascertain what the people living in these areas actually want—and how can we best make it possible for them to live the kind of life they would choose?" The answer is almost certain to be that there is a preponderant desire for gardens, greenery, privacy, small-scale building, local shops and pubs, and all the things that planners leave out when they draw those long neat straight lines on their boards, before going home to just such an environment themselves. Being poor, or black, or old, or saddled with a large family and a low income does not make people want such things any less than, say, politicians and civil servants do; the question is, or should be, how to meet such demands."

As most of the reports that I have cited show, the first step towards this is to raise the incomes of the really poor who are trapped in areas of urban decay. Perhaps incentives to small firms to come back (start up?) would help: any schemes directed at the people themselves would be more useful than plans to create a new-built environment, and schemes involving self-help would be most beneficial of all. Our worst-off people, those who suffer most, are to be found in these slums, and cash assistance to them must of course be a priority.

But this is quite different from trying to erect around them a set of roads, shops, and buildings that they have not chosen, or sending in an army of functionaries who would themselves siphon off most of the available money. Rescuing unfortunate people from rotting city centres is urgent: "revitalising" areas that most people have shown they do not want to live in is foolhardy. We have tried the latter for years, with no success, and "reallocating" the money now, or pouring in yet more, is no more likely to succeed than any other large-scale design for other people's lives drawn up by officials who live elsewhere. Motor-cars, television, increasing general affluence, and the culture-shock of 20th-century urban life have all turned many people away from city centres; a gargantuan spending policy designed to entrap those too poor to escape would be the opposite of compassionate.

Letters to the Editor

Where savings could be made

From The Director General The Timber Trade Federation

Sir,—Mr. J. S. Humphreys (January 14) is quite right in pointing to the vast field which the multiplicity of Boards and Commissions offers for a reduction in public expenditure with consequent relief to the private sector.

The Department of Employment has been particularly active in spawning organisms of this kind, and each in its turn has been equally prolific in producing sub-species. The Manpower Services Commission is an example, and a recent report by that body with the impressive title "Towards a Comprehensive Manpower Policy" reveals that, in addition to a staff of 200 in the Commission office, its two agencies, the Employment Services Agency and the Training Services Agency, employ about 22,500 staff and the latter's 23 Industrial Training Boards about 4,600. It is therefore not surprising to find that the net expenditure by the Manpower Services Commission which was £125m. in 1974-75 doubled to an estimated £250m. in 1975-76 and is expected to rise to £468m. in 1976-77.

As the Commission modestly points out, however, it is not the only organisation providing "manpower services." The Department of Employment has nine regional offices and about 1,000 unemployment benefit offices: the Careers Services of local education authorities employ a total of about 2,600 careers officers with about the same number of support staff: the Advisory, Conciliation and Arbitration Service has eight regional offices: and the Health and Safety Commission also has an extensive regional and sub-regional organisation.

Moreover, as the Commission says, this is only the beginning. Although it accepts that the existence of so many different bodies may lead to confusion, it intends to push ahead both in strengthening its present organisation and exploring areas where it might acquire new responsibilities. For example, the number of district offices of the Training Services Agency is being increased: there is a proposal to set up Regional Manpower Intelligence Centres: and a new unit has been set up within the Commission Office to supply 125 District Manpower Committees with documentation.

All this is quite clearly set out in the report, and to that extent the Commission must be given credit. It is when it comes to explaining why these large staffs are needed that the report lapses into the obscurity of official gobbledegook, such as "The development of the MSC's manpower intelligence system must in future involve more disaggregated forward assessments as a guide to policy at the regional and local levels, linked where possible to national projections."

What is completely lacking in the report is any realisation that the requirements of this multi-level superstructure constitute in total a formidable burden on management and a heavy financial imposition on trade and industry.

S. Redman,
*Clareville House,
Whitcomb Street, W.C.2.*

Policies for construction

From Mr. V. Eddershaw.

Sir,—I feel it important at this time to endorse wholeheartedly J. Scott McBride's view January 10 where he forcefully advocates the use of indigenous materials in the building industry utilising to the full, local labour in all its forms to support construction.

The last thing we want to see is the erection of prefrabricated houses as a panic measure, resulting from too drastic a run down in the labour force, commensurate with a break up in design teams, surveying staff, etc. ... Traditional building methods can produce a pair of high quality brick built semi-detached houses in nine days. This is a labour intensive exercise; but it demonstrates that it should never again be necessary to resort to immediate post war prefabricated methods to provide accommodation.

With a little more assistance from the Government at this time the anticipated decline of the industry generally can be partially arrested with the direct result of saving many thousands of jobs.

It is hoped that some of the proposals placed before the Government by the National Federation of Building Trade Employers will be accepted, thereby preserving some viability in the industry, sufficient to deal with more favourable trading conditions in the future.

V. S. Eddershaw.
William Davis and Co.
(Leicester),
*Forest Field,
Forest Road,
Loughborough, Leics.*

Company schemes

From Mr. P. Dean, MP.

Sir, — As a former pensions Minister I follow with interest your well-informed articles on pensions and the correspondence you publish regularly. I write to focus attention once more on the growing concern in revising company pension schemes to comply with the Social Security Pensions Act. This concern has been voiced publicly in recent weeks by the chairman of the four main representative bodies in the pension industry, by Lord Allen, the chairman of the Occupational Pensions Board, and Lord Byers, the chairman of the Company Pensions Information Centre. We shall ignore, at our peril, warnings given by such authoritative and respected bodies.

One of the main factors in the present log jam is Government restriction on pension scheme improvements under the pay policy. Government pension policy cries "Ford," while Government pay policy cries "Back." This creates an impossible dilemma and means, in many cases, that it is not possible to have real consultation and negotiation with employees and trade unions about pension schemes. There is a good excuse for pension inertia which the Government must speedily remove by announcing the lifting of restrictions.

Time is now very short. Unless the log jam is broken soon, the April, 1978, starting date will be a lost opportunity rather than a landmark in pension progress. The future pension prospects of millions of people now at work and their wives, husbands and children are at stake.

Companies are going to be hard pressed to improve pension schemes in present economic circumstances. Nonetheless, most employers now see pension schemes as an essential part of good employment policy and the growing interest of the trade unions is naturally leading to more consultation about pension matters. This momentum within companies is reinforced by a consensus within Parliament. After many years of political instability, we now have an Act to which Government and Opposition have contributed and the Conservative Opposition is pledged to retain it.

A real partnership between the State providing the foundation and the company pension scheme the superstructure, is the only hope I can see of adequate pensions for the future. We must not allow present pay restrictions to stand in the way of such important social and economic objectives.

Paul Dean.
House of Commons, S.W.1.

The "in-or-out" argument

From The Chairman, Martin Paterson Associates.

Sir,—In my letter of December 29 I argued that if an employer favoured insurance for his pension scheme it would be logical for him to extend the cover by participating fully in the Castle scheme. I did so in view of the widespread advice being offered to those having insured schemes to contract out and that employers might question whether such advice was really consistent with the principles on which they had entered into insurance contracts in the first place.

My letter has provoked a good deal of comment, nearly all from insurance quarters. But I do not see that any of your correspondents has produced a serious counter argument, unless it be Mr. Child, January 13, who points to the Government's record in abrogating contracts. One is bound to have sympathy with the point he makes, but I would have thought that it applied with more or less equal force on both sides of the argument.

In my letter of January 5 I referred to the unfavourable position of insured schemes compared to those which were not insured in relation to the Government's buy back tables and I feel that Mr. Gwilt, January 12, accepts the point. Perhaps it should be made clear however that the alternative safety net he mentions involves meeting the cost of increasing the contracted out pensions the employer must provide (GMPs) by 8½ per cent. compound up to the time of each member's retirement age — without knowing at the time of contracting out what this cost will be. A somewhat frightening prospect.

To see these matters in perspective it is useful to carry in one's mind's eye the image of the private scheme and the State scheme as forming necessary and interdependent parts of a whole. One can then more readily perceive the importance of establishing, as first priority, an overall target level of pay replacement which will be fully inclusive of what the State itself may provide. In this way, the question of contracting out or not of the State additional pension presents itself as one of choosing between alternative means to an end, to be decided on appropriate financial and administrative criteria, rather than as an end in itself. And in the case of an insured scheme, which is to remain insured, the financial criteria, surely, point unmistakenly against contracting out.

Martin Paterson,
*10, Hertford Street,
Park Lane, London.*

Maximising pensions

From Lord Byers, Chairman, Company Pensions Information Centre.

Sir,—I would like to assure Mr. Stockwell (January 14) that Mr. Peet has a great deal of support from many varied quarters in wanting to see pensions improvements taken out of the scope of the pay code, and in this connection I think the following points need to be made:—

Mr. Stockwell is quite right to say that many schemes cannot afford to provide the maximum permitted by the Inland Revenue but this is no reason for failing to permit a lower level of benefit to those schemes that can afford one. There is plenty of scope between the minimum standard for contracting out and the maximum permitted by the Inland Revenue.

I think Mr. Stockwell may not be alone in underestimating the hardship involved in adhering to the minimum contracting out standard. For someone due to retire in the next few years how adequate is a pension related to earnings but only for years after 1978? There may be good reasons why the new State scheme cannot recognise previous service. This is surely no reason for frustrating those company schemes that can afford to do so.

Ministers in the present Government have drawn attention to the inequalities that exist in occupational schemes. Inland Revenue regulations prevent the best schemes from getting better but it is the pay code that stops employees with no scheme or only a poor one—and this means manual workers and female employees for the most part—from making any start on closing the gap between themselves and the better off.

In launching her new scheme Mrs. Castle held out the offer of partnership with good occupational schemes, recognising that such schemes could provide better, more appropriate and more flexible benefits than the State. If negotiations over contracting out are to be useful and constructive, the freedom to provide such benefits at a higher level than the bare minimum for contracting out must be restored.

At present we are faced with the Government urging employers to get on with the negotiations that will lead to a decision on whether to contract out. For some employers the present pay code restrictions make this unrealistic. Once an announcement on the pay code has been made it will still take considerable time to perform the complicated calculations involved and to carry out negotiations. We are rapidly running out of time.

Finally, may I make one plea that seems to me to be increasingly necessary? The main object of any pension scheme is to provide those in retirement with a decent standard of living. If this objective is borne in mind then surely the right decisions should follow—both on the pay code and contracting out.

Byers.
7, Old Park Lane, W.1.

Inflation accounting

From Mr. J. Clayton

Sir,—How right is Patrick Custis (January 14) to stress the "urgent need for a start to be made in inflation accounting" for "all businesses, irrespective of size;" and to deprecate the introduction of a standard "without adequate practical experience." But the "workable method of arriving at inflation adjusted profits" he seeks is already defined—in the Sandilands Report. Exposure draft 18 is not an implementation of the Sandilands current cost accounting system, but its negation.

The two are based on opposite premises—money and "funny-money"—and, inevitably, reach different conclusions. Sandilands, with its "total gains" statement, measures profit—total profit—as objectively as possible; ED 18, with its "appropriation account"—balanced on a "gut-feeling, think-of-a-number" basis—sinks into the abyss of subjectivity.

The total gains statement is the nub of the Sandilands plan: "In this report we define a company's 'total gain' as the difference between the measured amount of the net assets at the beginning and end of the accounting year after making allowance for new capital put in and dividends taken out." Thus does Sandilands adopt the classic definition of profit established in Re Spanish Prospecting Company (1911) 1 Ch. 92, adapted to inflationary conditions. "CCA is evolutionary, not revolutionary." Why all the bother?

For some years, the Accounting Standards Committee had been promoting a distorted, lopsided, mode of "inflation accounting," called CPP (current purchasing power): "profit" was struck after charging stock appreciation and enhanced depreciation: but the enhancement (by inflation) of the assets so depleted was ignored. Not surprisingly, Sandilands rejected CPP as a viable system of inflation accounting.

The profession's rejoinder was twofold: Sandilands did not "index" the equity (the "funny-money" syndrome) and did not deal adequately with the erosion of cash assets and liabilities. But this is untrue: by stating tangible assets at current value, the relative erosion of cash assets and liabilities is clearly revealed. Sandilands had, in fact, destroyed the 25-year-old myth that inflation reduces company profits. Nearly one-half of the tangible assets of major British companies are financed by the excess (over cash assets) of liabilities, prior charges and deferred tax. Generally, therefore, inflation increases company profits—by expropriation of the creditor—although operating profits are reduced.

The Sandilands total gains statement properly shows such dichotomy of profit; which ED 18 denies. Hence the recent complaint by Sir Kenneth Bond (deputy managing director of GEC) regarding the denigration of British industry and the discouragement of its management. A "true and fair view" of earnings per share should, of course, be based on total gain, as well as on operating profit—EPS (operating) and EPS (total gain). Analysts please note!

ED 18 is not a coherent accounting system to replace the Sandilands CCA it sabotages: it defines neither profit, nor EPS: and eschews the Sandilands logic of measuring profit by the movement of net assets. Moreover, as ED 18 also proposes to eliminate deferred tax—a potential distortion of the order of £15bn.-£20bn.—the scope for the imaginative "balancing" of the "appropriation account" is from zero to some 1½-times total gain. In brief: ED 18 is little more than CPP dressed-up to look like CCA!

Mr. Custis should have the courage of his convictions; and prepare the forthcoming GKN accounts on the simple CCA principles enunciated by Sandilands—without the ED 18 distortions. The data, available for adjusting the operating account, should suffice for the purposes of the full CCA treatment.

In the latest available accounts of BAT one simple statement shows historic balance sheet, "net worth" and total gains: another, the division of total gains, EPS (O) and EPS (T) and the dichotomous cover for dividends; while a radical form of "funds" statement also reconciles, item by item, the historic and the CCA accounts.

Jack Clayton.
*19, Park Road,
Cheam, Surrey.*

To-day's Events

GENERAL

Index of industrial production for November published.

EEC Foreign Ministers meet, Brussels.

Mr. Sam Silkin, Attorney-General, before Appeal Court regarding his refusal of consent to legal action against postal workers' plans to disrupt mail and telephone services to South Africa.

Board of Cable and Wireless discusses Government's refusal to grant pay rises to five directors.

Mr. Reg Prentice, MP, speaks at Tory Reform Group lunchtime discussion.

Mr. Enoch Powell, MP, speaks on "Patriotism," St. Lawrence Jewry next Guildhall, E.C.2, 1.15 p.m.

Financial Times two-day World Pulp and Paper Industries Conference opens, Helsinki.

Extradition proceedings continue against Mr. Jim Slater and Mr. Richard Tarling, Horseferry Road Court, S.W.1.

PARLIAMENTARY BUSINESS

House of Commons: Scotland and Wales Bill, committee.

House of Lords: British Airways Board Bill, Patents Bill, and Cruelty to Animals Bill, second reading. General Rate (Public Utilities) Bill, third reading.

Select Committee: Nationalised Industries (Sub-committee A). Subject: British Rail. Witnesses: Road Haulage Association; Freight Transport Association (4 p.m.).

COMPANY RESULT

Letraset International (half-year).

COMPANY MEETINGS

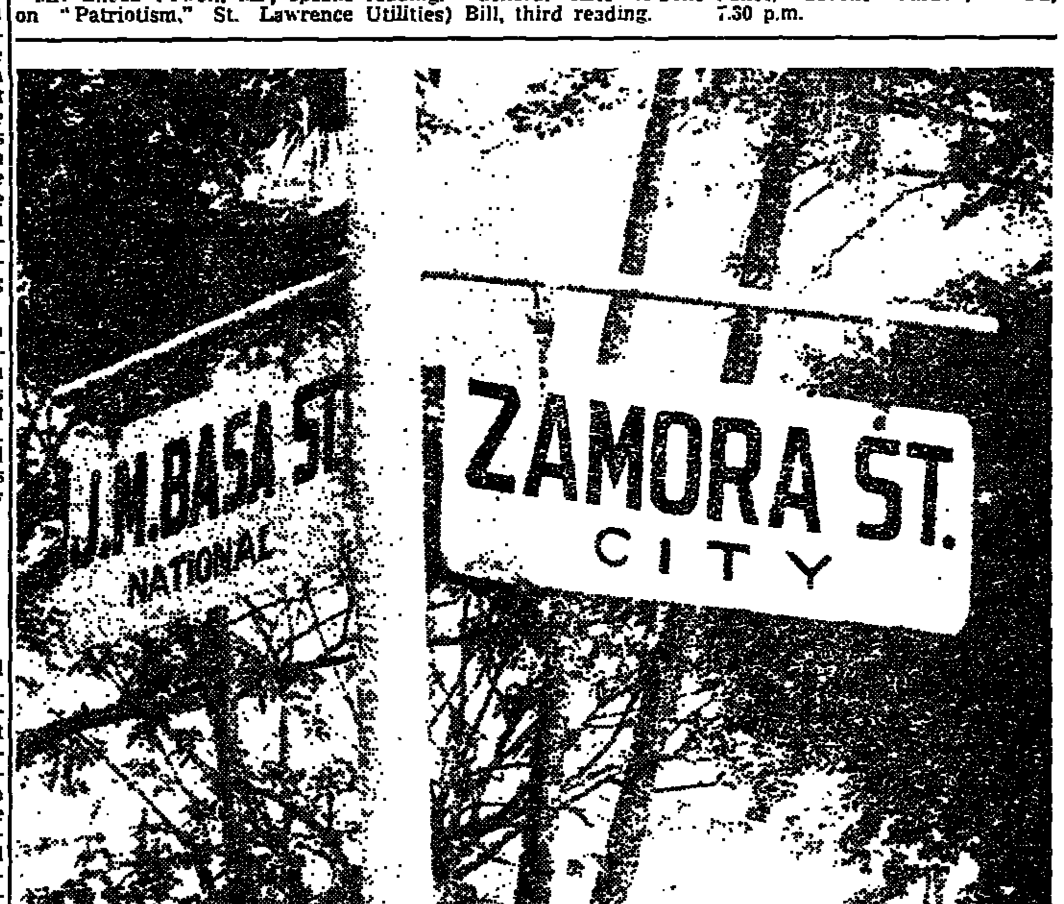
Bass Charrington, Grosvenor House, W., 12. Leeds and District Dyers and Finishers, Leeds, 12.

OPERA

English National Opera production of La Traviata, Coliseum Theatre, W.C.2, 7.30 p.m.

BALLET

Royal Ballet dance Romeo and Juliet, Covent Garden, W.C.2, 7.30 p.m.



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COMPANY NEWS + COMMENT

Courts operating profit soars at midway

A CONSIDERABLY higher operating profit up from £2.76m. to £3.47m., achieved by **Courts (Furnishers)** has not passed through into taxable profit owing to a large increase in transfer to deferred profit for the six months ended September 30, 1976.

Profit before tax remained steady at £1,950,000 (£1,947,000) after deferred profit of £1,515,000 against £328,000 last time.

The interim dividend is raised by the maximum permitted to 1.415p (net 1.287p) per 25p share. Total payments for 1975-76 amounted to 2.54365p on profit of £5,370,000.

Trading in both the U.K. and overseas in the traditionally more profitable second half is continuing at a satisfactory level, say the directors. Four new stores have been added in the U.K. in the current year and the group, with over 100 stores in six countries, is well situated for further progress.

The first half increase was caused by the growth in credit business during 1976, resulting from the lifting of hire purchase controls in December 1975, and from the continuing progress of overseas subsidiaries. The accumulated deferred profit now *stands at over £9.4m., which will* flow automatically into profits in future years.

No account has been taken at the interim stage of exchange rate fluctuations, which are currently favourable.

	Half-year 1977 £000	1976 £000
Sales*	[illegible]	[illegible]
Operating profit	[illegible]	[illegible]
Deferred profit	[illegible]	[illegible]
Pre-tax profit	1,950	1,947
Taxation	[illegible]	[illegible]
Net profit	[illegible]	[illegible]
Interim div.	[illegible]	[illegible]

* Excluding VAT. [illegible]

● comment

Courts 32 per cent. rise in operating profits is remarkable in a six months period when furniture deliveries from UK manufacturers declined by about 6 per cent. Part of the explanation is that Courts gets about 45 per cent. *of its profits from its overseas* branches, and this must have looked very good in Sterling. But there was volume growth of around 12 per cent. in the U.K., too, indicating increased market share. Volume gains were more than enough to offset discounts and margins rose by 3.1 points to 16.5 per cent. (among the highest in the trade), reflecting Courts' low break-even points. Most of the sales advance was HP, now about half the total. Of course, the £1.5m. transfer to deferred profits is a useful buffer, for the trade is facing doubtful prospects as disposable incomes spent on furniture continues to decline. In dull times, deferred profits come into their own, as old debtor balances are repaid. Full year profits will be boosted by perhaps £0.2m. by currency gains, and UK deliveries have sprung up surprisingly since September. However, the shares at 78p have a maximum yield of 6.3 per cent. Although the cover will be more than six times, the low yield could be a constraint for some time.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims—Arthur Day, Crouch Group, Electra Investment Trust, Heron Motor, Lorraine International, R. and J. Pullman.

Finals—Status Discount, Trident Television.

FUTURE DATES

Interims—

Helical Bar	Jan. 21
Marston Thompson and Evershed	Jan. 20
Priest (Benjamin)	Feb. 1

Finals—

Albion	Jan. 27
Flaidrive Engineering	Jan. 20
Sidlaw Industries	Jan. 21
Smallshaw (R.) (Knitwear)	Jan. 27
Websters Publications	Jan. 19

Centre Hotels up 64%

PRE-TAX PROFIT advanced 63.9 per cent. *from a depressed* £502,351 to £823,645 for Centre Hotels (Cranston) in the 28 weeks ended October 17, 1976. Turnover was up from £8.12m. to *£10.04m.*

The first half of the financial year is the more profitable and, while turnover to date has continued to show a substantial *increase over last year, the final* results are dependent on continued successful trading in the closing months and prevailing interest rates, the directors say.

No tax charge is given as it is dependent on the profit made in the remainder of the year, and would in any case be subject to substantial capital allowances *available.*

The interim dividend is held at 0.32p net per 10p share amounting to £83,702 (£66,102) and the directors say they intend to pay a *maximum final. Last year's* total payments were 0.96p from profit of £582,483.

Group profit in the first six months was £1,068,481 before deducting the amount attributable to the outside interests in the Regent and West Centre Hotels. These interests have now been acquired and the relevant amount will be part of the group's profit in future.

Centre operates 31 hotels in the U.K. and overseas, the vast majority of which are freeholds or long leaseholds, together with a chain of Old Kentucky Restaurants located around the *London area.*

● comment

The London tourist boom has boosted profits of Centre Hotels *as it has other hotel groups.* The effect has been heightened by the financial gearing since Centre fell for the Government's Hotel Development Incentive Scheme in a big way. Profits fell as the major programme of investment ran into high interest rates and overcapacity, while the new hotels took three years or so to become profitable. Now the programme of investment *is nearly completed*, so there will be fewer start-up losses in 1977-78, and the improvement in the London tourist industry means that lower *concessions* are being made for advanced booking. The potential for continued recovery is enor*mous* because Centre is the third largest operator of London hotels. However, the second half could be blighted by the higher average level of interest rates since every one point rise costs Centre over £100,000 in a full year. The shares, at 21½p, yield only 7.7 per cent. (below THF and Grand Met.) but the asset backing in the last accounts was 47½p per share.

Arthur Guinness outlook

THE £10.2m. increase in pre-tax profit to £39.3m. at Arthur Guinness Son and Co. for the year to September 25, 1976 was, in part, due to a number of favourable factors which were unexpected and may not be repeated in the coming year, states the chairman, the Earl of Iveagh.

In home markets Guinness sales dropped but rose abroad; non-brewing activities turned in higher profits and the chairman says: "The group's spread of business of different types throughout many places in the world is a great strength, and I have every hope that we will continue to build on this base."

A breakdown of turnover—up from £339.4m. to £413.9m.—and trading profit of £36.2m., compared with £28.7m. shows that brewing contributed £320.2m. (£259.7m.) and £31.3m. (£24.1m.), confectionery £11.5m. (£9m.) and £0.5m. (£0.3m.), general trading £65.4m. (£52.2m.) and £3.5m. (£3m.), leisure £0.5m. (£1.6m.) and loss £0.2m. *(profit 0.4m.)*, plastics £16.3m. (£16.9m.) and £1m. (£0.8m.) and property £0.1m. profit (same).

On a CCA basis pre-tax profit would be reduced by £15.9m. of which £8.9m. represents additional depreciation and £7m. the cost of sales adjustment. The gain on net monetary liabilities would amount to £13.2m.

At year-end short-term borrowings amounted to £29m. Since that date £12m. of these borrowings have been replaced with medium-term loans and £3.2m. of foreign currency borrowings in U.S. dollars have been repaid.

After deducting grants, future capital expenditure contracted for amounts to £5.19m. (£7.44m.) and that authorised but not contracted for totals £9.8m. (£7.4m.).

Meeting, Park Royal Brewery, NW, February 10, 2.45 p.m.

Ashley Ashwood

Mr. Ward Thomas, chairman of Trident Television, which is to-day due to announce preliminary results for 1976-77.

First half advance by Kwikform

SCAFFOLDING GROUP Kwikform reports *pre-tax profits up from* £486,000 to £559,000 in the 26 weeks ended October 30, 1976, on a turnover ahead by £2.4m. to £7.52m.

Earnings per 20p share are up from 4.9p to 7.4p. The interim dividend is unchanged at 1.4p net—the total for 1975-76 was 4.46p paid from profits of £1.53m.

The *half year profit* included an associates contribution of £101,000 (£120,000). After lower tax of £185,000 (£237,000) and taking in capital profits this *time of £235,000* the attributable balance emerges at £609,000 against £248,000.

Mr. F. M. Russon, chairman, reports that during the period the *associate Kwikform Property* went public. This has the effect of increasing the value of the remaining investment in the company. The flotation resulted in the *capital profit after tax of £235,000.*

It is expected that overseas activities will help in maintaining profits.

● comment

Kwikform's true first-half performance has been obscured by the recent flotation of 25 per cent. of the group's stake in its Australian associate. On a comparable basis profits are 28 per cent. higher before tax and although that reflects some deterioration in margins—from 6.9 *per cent.* to 6 per cent.—it does show how the buoyancy of the group's overseas scaffolding business has offset the effects of the construction depression in the *U.K. With pressure on margins* increasing, the second half could be more difficult but the group should be able to equal the pre-tax figure achieved in the com*parable period. This would give* a prospective p/e of around 6, and would cover the historic dividend, yielding 7.6 per cent. at 92p (up 6p on the figures), more *than 3½ times. But it seems unlikely* that any significant market—still around 60 per cent. of sales—has ended.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Astra Industrial ......int.	0.33	Mar. 18	0.3*	—	0.68*
Centre Hotels ......int.	0.32	—	0.32	—	0.96
Courts (Furnishers)...int.	1.42	May 31	1.29	—	2.84
Gt. Northern Trust	2.37	Mar. 24	2.22	3.45	3.24
Kwikform ......int.	1.4	—	1.4	—	4.46
Meggitt Hldgs.	0.18	April 4	0.16	0.35	0.32
Reo Stakis	0.65	April 13	0.37	0.92	0.84
Stirling Knitting ......int.	*0.35*	*Mar. 30*	*0.35*	—	*0.7*

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

Upsurge at Gadek Malaysia

TAXABLE PROFIT of the reconstituted Gadek Malaysia group was £128,600 during the nine months to September 30, 1976. This compares with £37,200 for Gadek Rubber Estate for the comparable period of the previous year.

For 1975 no adjustment has been made to reflect any notional interest charge on the deferred consideration payable to Gadek Indonesia following reconstruction in February 1976.

The dividend will be decided at year-end.

For the 11 months to November 30, 1976 rubber harvests by the two estates in Malaysia totalled 1.52m. kgs., compared with 1.09m. kgs., and oil palm 0.29m. kgs. (nil).

Early in 1976, the Government of Malaysia's price stabilisation *measures, having achieved their* aim, were discontinued, allowing the resumption of normal tapping and stimulation programmes, with the result that there was a very *substantial increase in the rubber* crop compared with the previous year, say the directors. The first planting of oil palms at Kupang Estate came into bearing during the *year—this crop will make a* more significant contribution to earnings in 1977 and subsequent years.

The average price realised for the rubber crop during the first nine months was approximately 35 per cent. higher than the figure for the whole of the 1975 crop. This very welcome price rise, combined with the much higher crop and consequent fall in unit production cost, has meant a marked improvement in profit margins, and barring unforeseen events the subsidiary's trading results for *1976 should constitute a record,* they add.

	Group Nine months 1976 £	Gadek Rubber Estate 1975 £
Turnover	419,700	169,000
Trading profit	155,400	34,400
Profit forward contracts	—	26,900
Replanting expend.	19,300	23,000
Depreciation	7,500	*11,100
Profit before tax	128,600	37,200
Taxation	66,900	16,900
Net profit	61,700	20,300

* Represents Capital Expenditure incurred.

The manufacturing division will become L. M. Van Moppes and Sons Diamond Tools, the diamond powder activities Diadust and the merchanting division Van Moppes Diamond Services.

L. M. Van Moppes and Sons will continue to be the U.K. diamond sales company. The divisional headquarters at Basingstoke, including research and development will be formed into a new company, Unicorn Industries (DPD).

Astra ahead midterm

PROGRESS continued for electrical and mechanical engineers Astra Industrial Group with tax*able profit up from £311,000 to* £369,000 in the six months to October 31, 1976. Sales rose to £4.89m. against £3.54m.

Stated earnings per share im*proved from 1.46p (adjusted for* rights and scrip issues) to 1.55p per 10p share. The interim dividend is lifted from an adjusted 0.295p net to 0.325p per 10p share. Last year total payments were equivalent to 0.6805p from profit of £769,000.

	Half-year 1977 £000	1976 £000	Year 1975-76 £000
Sales	4,894	3,538	[illegible]
Operating profit	416	342	863
Interest	47	[illegible]	94
Pre-tax profit	369	311	769
Taxation	192	152	407
Dividends	63	33	64
Retained	115	129	[illegible]

Second half rise from Meggitt

Reflecting a difficult year, particularly in the manufacturing division, pre-tax profit of machine tool makers Meggitt Holdings declined from £180,853 to £153,392 in the year to October 31, 1976.

The chairman, Mr. J. D. Tyler, reports that the order intake *throughout the group is increasing* at a substantial rate and the prospects for the months ahead appear good.

Earnings per 5p share are 1.81p *(2.03p) and a final dividend of* 0.175175p lifts the net total from 0.32175p to 0.353925p.

In July it was forecast that profitability would improve during the remainder of the year. In the event, second-half profits rose from £50,493 to £92,785.

	Year 1975-76 £	1974-75 £
Turnover	3,378,782	3,346,237
Pre-tax profit	153,392	180,853
Taxation	77,801	93,645
Net profit	77,691	87,208
Attributable*	77,691	87,208
Ordinary	15,183	13,883

* After minorities.

Stirling Knitting steady

On sales little changed at £2.22, against £2.24m., pre-tax profit of clothing and knitwear manufacturers Stirling Knitting Group for the half year to September 30, 1976, was steady at £140,000 *against £155,000. After* a much reduced second half, the total for last year was £160,240.

Stated earnings are 2.07p compared with 2.29p, and the interim dividend is maintained at 0.35p net per 20p share. Last year's total was 0.7p.

Tax charge for the half year was £73,000 against £81,000.

L. M. VAN MOPPES

L. M. Van Moppes and Sons the main U.K. operating company in the diamond products division of the Unicorn Industries Group *is reforming into separate com*panies the various activities collectively performed at Basingstoke.

EQUITABLE LIFE

Last year was a record year for the Equitable Life Assurance Society. Net new annual premium income was £8.2m. (£4.7m.) and new single premiums plus new annuity considerations were £9.7m. (£3m.). Net new sums assured amounted to £121m. (£86m.).

Reo Stakis second-half recovery

SECOND HALF profits of the Reo Stakis Organisation, the Glasgow based hotels catering and betting group, more than doubled taking from £530,000 to £1.03m., taking the total for the 53 weeks ended October 3, 1976 up to £1.25m., compared with £1.05m. for 1974-75.

When reporting a sharp drop from £525,000 to £222,000 in profits for the first 26 weeks Mr. Reo Stakis, chairman, told members that the full year's result was dependent to a large extent on the peak summer season business. He felt that if the present trend continued the group could match last year's profit despite the temporary setback from Champion Fixed Odds, where initial losses were greater than expected.

The year's result reflects a jump from £635,000 to £930,000 in the hotels and catering profit and a second-half recovery (from a *first-half loss* of £14,000) to profits of £318,000 by the casinos and betting division.

Results for the first quarter of 1977 indicate that profits for the first-half will be ahead of the same 1975-76 *period, the directors* state.

Earnings per 10p share are up from 2.3p to 2.67p and the dividend is raised by the maximum permitted—from 0.835p to 0.921p, with a final of 0.653p net. At least maintenance of last year's rate had been forecast.

	1975-76 £000	1974-75 £000
Turnover	[illegible]	[illegible]
Hotels and catering	[illegible]	[illegible]
Casinos and betting	[illegible]	[illegible]
Profit before tax	1,254	1,078
Hotels and catering	930	[illegible]
Casinos and betting	[illegible]	[illegible]
Tax	[illegible]	[illegible]
Net profit	[illegible]	[illegible]
Extraordinary items	[illegible]	[illegible]
Interim	[illegible]	[illegible]
Final	[illegible]	[illegible]
Prior year adjustments	—	[illegible]
Forward	[illegible]	[illegible]

● comment

The stock market was pleased with the results of Reo Stakis because the 38 per cent. downturn in the first half has been completely made up. The [illegible] resulted from a terrible start [illegible] fixed odds betting but in the summer months this operation was out of season, while the hotels operation came into its own. The [illegible] benefited from the foreign tourist influx and the end of the running-in period for recently built [illegible]. Improvement should continue [illegible] the current year as bookings [illegible] good and the concessions [illegible] advance bookings have probably been reduced. Meanwhile [illegible] fixed odds betting will doubtless not make the substantial loss [illegible] it did in the first half last year though turnover has suffered [illegible] cancellations of football matches due to the cold weather. The shares at 20½p yield 7.1 per cent. covered 2.9 times.

Great Northern pays more

Little changed gross revenue and pre-tax revenue figures are announced by Great Northern Investment Trust for the year to November 30, 1976, at [illegible] compared with £2.95m. [illegible] £2.83m., against £2.8m. respectively.

At halfway revenue before [illegible] was £1.38m. (£1.47m.).

For the year earnings per share *increased* from 3.4[illegible] 3.532p and the dividend total 3.450 (3.24p) net, with a final 2.37p.

Net asset value per share [illegible] 92p (106p).

	1975-76 £	[illegible]
Gross revenue	2,952,[illegible]	[illegible]
Pre-tax revenue	2,828,[illegible]	[illegible]
Tax	1,020,[illegible]	[illegible]
Retained	[illegible]	[illegible]

Forward Trust jumps 40% to £10m.

FOLLOWING A 42 per cent. jump in 1974-75 profits, **Forward Trust**, the finance offshoot of Midland Bank, reports an advance of 40 per cent. to £10m. in the pre-tax figure *for the year ended October 31,* 1976. The net taxed balance emerges ahead from £3.25m. to £4.47m.

On the current year, however, Mr. John Cave, chairman, strikes a cautious note, remarking that few chairmen in the industry would be willing to look forward to 1977 with great optimism, particularly as the profitability of a finance house is so dependent on external factors.

Indications at present are that the company has managed roughly to maintain both its turnover and profits so far in the current year. (Turnover last year was £49m. up at £179m.)

One consideration making for caution is the Bank of England's credit curb through the so-called corset, limiting growth in important financing resources of the company in the February-April quarter to 3 *per cent.* above the August-October average. Another reason for doubt over the 1976-77 prospect is the uncertainty about the future course of demand in the consumer sector—where some one-third of Forward Trust's business is, and which appears to have held pretty firm—and on the industrial side, where the remaining two-thirds is conducted.

A strength is that the company, with something between 10 per cent. to 15 per cent. of total U.K. business, believes it has raised its share of the market, probably by about a tenth, in the past year.

The chairman points out that the result was achieved during a year of continuing controls on the instalment finance industry. The quality of the business undertaken, as measured by accounts in arrear, has been maintained at a satisfactory level.

A general easing in short-term interest rates during the first half was a further factor contributing to the higher profits but this trend was sharply reversed in the second *half.*

The balance sheet at October 31 shows instalment finance agreements up from £140.02m. to £179.81m., less £26.53m. (£22.39m.) unearned *charges interest and* retentions. Deposits were higher at £196.55m. (£139.33m.).

W. Williams confident of progress

Though confident of a much improved profit for 1976, against the *£94,000 for 1975,* Mr. H. H. Williams, chairman of W. Williams and Sons (Holdings), says, in his interim statement, that he is deeply concerned at the continued lack of confidence in the major industries *on which* the company depends for future sales.

The higher levels of production of the first six months continued into the autumn, but during October, *once again, there* were signs of uncertainty creeping back into industry, with some cancellation of *short-term* schedules and revised forecasts for 1977.

As reported on November 29, on sales higher at £3.42m., against £2.92m., taxable profit rose from a depressed £70,000 to £125,000, for the half year ended June 30, 1976.

The results reflect an upturn in the first part of the year in utilisation of production capacity at the manufacturing subsidiaries, Mr. Williams explains.

The short-term nature of demand has remained, making difficult any meaningful long-term planning, either for plant or labour, he comments.

Most industries that the company supplies appear to have commenced a programme of [illegible]sion, and forecast requirements for its products only to have second thoughts *within months, and decide* to cut back on capital investment until a future date.

However, all plants managed to achieve increased outputs, *against very fierce competition* in the foundry trade, where on average only about 70 per cent. capacity is being utilised nationally.

During the latter months of the first half, the price of aluminium escalated rapidly, the overall effect was a depressing influence on profit margins.

The short-term demand made reduction of stock levels more difficult, but with very high interest charges being applied, this will be a *objective during the next* [illegible] period, he adds.

Stormgard down by half so far

A sharp fall in turnover from £3.48m. to £2.15m. is disclosed by Stormgard, an investment company, *for the first half* [illegible] and pre-tax profit was [illegible] £19,126, compared with [illegible].

Turnover for the full year was £3.48m. and the [illegible] *profit £25,001 after tax of* [illegible].

	1976 £	[illegible]
Turnover	2,17[illegible]	[illegible]
Interest	[illegible]	[illegible]
Investment income	[illegible]	[illegible]
Expenses	[illegible]	[illegible]
Pre-tax profit	19,126	[illegible]
Tax	[illegible]	[illegible]
Leaving	[illegible]	[illegible]

SMURFIT REORGANISATION

The **Jefferson Smurfit** Group has announced a new organisational structure following a [illegible] of the group's activities by McKinsey Consultants.

The new structure has been introduced to cater for the group's expansion in home and international markets and will be effective from February 1 [illegible].

The changes will delineate the role and responsibility at each organisational level as well as having certain functions geographically co-ordinated.

ISSUE NEWS

LONG TAP

The prospectus is published to-day in connection with the [illegible] of £1.25bn. of 13¾ per cent. Treasury Loan 1993 at £96 per cent.

Interest on the stock will be payable half-yearly on May 23 and November 23. The first payment of £4.64 per cent. will be made next May. The loan will be repaid *at par in November 1993.*

The list of applications [illegible] and closes on *Thursday.*

MELVILLE SCRIP

An extraordinary general meeting is called by Melville, Dundas and Whitson for February [illegible] to consider the capitalisation of £500,000 of the company's reserves and a subsequent one-for-two scrip *issue.*

Courts

(Furnishers) Limited

Interim Results (unaudited)

Six months ended	30.9.76	30.9.75
Turnover (excl. VAT)	£21,005,000	£16,922,000
Operating profit	£3,465,000	£2,275,000
Transfer to deferred profit	£1,515,000	£328,000
Net profit before taxation	£1,950,000	£1,947,000

Over 100 stores worldwide

World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on January 17, 1977. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. *In some cases market rates have been calculated from those of foreign currencies to which they are tied.*

Exchange in the U.K. and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (S) member of the sterling area other than Scheduled Territory; (k) Scheduled Territory; (o) official rate; (F) free rate; (T) tourist rate; (n.c.) non-commercial rate; (n.a.) not available; (A) approximate rate; no direct quotation available; (sg) selling rate; (bg) buying rate; (nom.) nominal; (ex/c) exchange certificate rate; (P) based on U.S. dollar parities and going sterling dollar rate; (Bk) bankers' rate; (Bas) basic rate; (cm) commercial rate; (cn) convertible rate; (fn) financial rate.

Sharp fluctuations have been seen lately in the foreign exchange market. Rates in the table below are not in all cases closing rates on the dates shown.

Place and Local Unit	Value of £ Sterling	Place and Local Unit	Value of £ Sterling	Place and Local Unit	Value of £ Sterling
Afars & Issas: French Franc	[illegible]	Germany (West): Deutschemark	4.10½	Paraguay: Guarani	215.86
Afghanistan: Afghani	[illegible]	[illegible]	[illegible]	[illegible]	0.575
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] 119.57
[illegible]	[illegible]	[illegible]	[illegible]	Philippines: Ph. Peso	12.7015
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1.6025
[illegible]	[illegible]	[illegible]	[illegible]	Poland: Zloty	(Cm)32.52
[illegible]	[illegible]	[illegible]	[illegible]	Portugal: Pgse Escudo	54.975
[illegible]	[illegible]	[illegible]	[illegible]	Port Timor: Timor Escudo	54.975
[illegible]	[illegible]	[illegible]	[illegible]	Principe Isle	n.a.
[illegible]	[illegible]	[illegible]	[illegible]	Puerto Rico: U.S. $	1.71575
[illegible]	[illegible]	[illegible]	[illegible]	Qatar (S): Qatar Ryal	6.75
Bahamas (S): Ba. Dollar	1.71575	[illegible]	[illegible]	Reunion Ile de la: French Franc	8.54
[illegible]	[illegible]	Hungary: Forint	[illegible]	Rhodesia: Rhodesian $	1.0674
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] 20.60
[illegible]	[illegible]	[illegible]	[illegible]	Rwanda: Rwanda Franc	158.54
Belgium: B. Franc	[illegible]	[illegible]	[illegible]	St. Christopher (S): E. Caribbean $	4.6271
[illegible]	[illegible]	[illegible]	[illegible]	St. Helena: St Helena £	—
[illegible]	[illegible]	[illegible]	[illegible]	St. Lucia (S): E. Caribbean $	4.6271
[illegible]	[illegible]	[illegible]	[illegible]	St. Pierre: C.F.A. Franc	427
[illegible]	[illegible]	[illegible]	[illegible]	St. Vincent (S): E. Caribbean $	4.6271
[illegible]	[illegible]	[illegible]	[illegible]	Salvador El: Colon	4.28
Botswana (S): Pula	[illegible]	[illegible]	[illegible]	Samoa (Am.): U.S. $	1.71575
[illegible]	[illegible]	[illegible]	[illegible]	San Marino: Italian Lire	1,511
[illegible]	[illegible]	[illegible]	[illegible]	Sao Tome: Pgse. Escudo	54.975
[illegible]	[illegible]	[illegible]	[illegible]	Saudi Arabia: Ryal	6.05
Burma: Kyat	11.20	[illegible]	[illegible]	Senegal: C.F.A. Franc	427
[illegible]	[illegible]	[illegible]	[illegible]	Seychelles: S. Rupee	13.53
Burundi: Burundi Franc	155.705	[illegible]	[illegible]	Sierra Leone (S): Leone	2.0
[illegible]	[illegible]	Laos: Kip Pot Pol	[illegible]	Singapore (S): Singapore $	4.214
[illegible]	[illegible]	[illegible]	[illegible]	Solomon Is (S): Australian $	1.57895
[illegible]	[illegible]	[illegible]	[illegible]	Somali Rep.: Som Shilling	[illegible] 0.7861
[illegible]	[illegible]	[illegible]	[illegible]	South Africa (S): Rand	1.4891
Cameroon Rp: C.F.A. Franc	[illegible]	[illegible]	[illegible]	South West African Territories (S): S.A. Rand	1.4891
[illegible]	[illegible]	[illegible]	[illegible]	Spain: Peseta	117.575
[illegible]	[illegible]	[illegible]	[illegible]	Spanish ports in North Africa: Peseta	117.575
[illegible]	[illegible]	[illegible]	[illegible]	Sri Lanka (S): S. L. Rupee	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	Sudan Rp.: Sudan £	0.595 (sg)
[illegible]	[illegible]	[illegible]	[illegible]	Surinam: S. Guilder	3.0675
[illegible]	[illegible]	[illegible]	[illegible]	Swaziland (S): Lilangeni	1.4891
[illegible]	[illegible]	[illegible]	[illegible]	Sweden: S. Krona	7.24
[illegible]	[illegible]	[illegible]	[illegible]	Switzerland: Swiss Franc	4.27½
[illegible]	[illegible]	[illegible]	[illegible]	Syria: Syria £	6.507 (sg)
[illegible]	[illegible]	[illegible]	[illegible]	Taiwan: New Taiwan $	65.1225
[illegible]	[illegible]	[illegible]	[illegible]	Tanzania (S): Tan. Shilling	14.315
[illegible]	[illegible]	[illegible]	[illegible]	Thailand: Baht	34.8125
[illegible]	[illegible]	[illegible]	[illegible]	Togo Rp.: C.F.A. Franc	427
[illegible]	[illegible]	[illegible]	[illegible]	Tonga Is. (S): Pa'anga	1.3655
[illegible]	[illegible]	[illegible]	[illegible]	Trinidad (S): Trin. & Tobago $	4.118
Denmark: Danish Krone	[illegible]	[illegible]	[illegible]	Tunisia: Tunisian Dinar	0.715 (sg)
[illegible]	[illegible]	[illegible]	[illegible]	Turkey: Turkish Lira	26.40 (sg)
[illegible]	[illegible]	[illegible]	[illegible]	Turks & Caicos: U.S. $	1.71575
[illegible]	[illegible]	[illegible]	[illegible]	Tuvalu: Australian $	1.57885
[illegible]	[illegible]	[illegible]	[illegible]	Uganda (S): Ug. Shilling	14.31
Ecuador: Sucre	[illegible]	[illegible]	[illegible]	United States: U.S. Dollar	1.71575
[illegible]	[illegible]	Nauru Is.: Aust. Dollar	[illegible]	Uruguay: Uruguay Peso	(cm) 6.92
[illegible]	[illegible]	[illegible]	[illegible]	Utd. Arab Emirates: U.A.E. Dirham	(cm) 7.06
[illegible]	[illegible]	[illegible]	[illegible]	U.S.S.R.: Rouble	6.87
[illegible]	[illegible]	[illegible]	[illegible]	Upper Volta: C.F.A. Franc	1.25
Falkland Is. (S): Falkland Is. £	1.0	[illegible]	[illegible]	[illegible]	427
[illegible]	[illegible]	[illegible]	[illegible]	Vatican: Italian Lira	1,511
[illegible]	[illegible]	[illegible]	[illegible]	Venezuela: Bolivar	7.35 (?)
[illegible]	[illegible]	[illegible]	[illegible]	Vietnam (Nth): Dong	5.0727
[illegible]	[illegible]	[illegible]	[illegible]	Vietnam (Sth): Piastre	n.a. (g)
[illegible]	[illegible]	[illegible]	[illegible]	Virgin Is. U.S.: U.S. Dollar	3.1704
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1.71575
[illegible]	[illegible]	Oman Sultanate of (S): Rial Omani	0.593	Western Samoa (S): Samoan Tala	1.0326
[illegible]	[illegible]	Pakistan: Pkst. Rupee	16.65 (sg)	Yemen: Ryal	7.60 (sg)
Gabon: C.F.A. Franc	427	Panama: Balboa	1.71575	Yugoslavia: New Y Dinar	31.5871
Gambia (S): Dalasi	4	[illegible]	[illegible]	Zaire Rp.: Zaire	1.48118
Germany (East): Ostmark	4.10½	Papua N.G. (S): Kina	1.355	Zambia: Kwacha	1.35

- That part of the French community in Africa formerly part of French West Africa or French Equatorial Africa.
- ◆ Rupees per pound. Tourists visiting Sri Lanka receive a premium of 65 cents per unit.
- ◆ The Ougaiya has replaced the CFA franc. The exchange was made at a rate of CFA Frs 5 to one unit of the new currency.
- General rates of oil and iron exports [illegible].
- The Mongolian tugrik has lately been reported to stand at an official commercial rate of [illegible] Russian roubles; the North Vietnamese dong at 0.306 roubles and the North Korean won at 0.7452 roubles. With the pound standing at 1.28 roubles the following relationship could be calculated for the pound: £1=5.86 tugriks: £=4.08 dongs: £=1.865 won.
- ‡ Rate is the Transfer market (controlled).
- † Rate is now based on 2 Barbados $ to the dollar.
- ¶ Now one official rate.
- † Following devaluation.

BIDS AND DEALS

Linfood is £7.4m. bidder for Gateway

Linfood Holdings, the wholesale, cash and carry and retail distribution group headed by Lord Kissin, emerged yesterday as the bidder for Bristol-based Gateway Securities after last week's statement that an approach had been received. The offer values Gateway, whose main business is in supermarkets, cash and carry and pink stamps, at around £7.4m.

The directors of Gateway are recommending acceptance of the bid and, together with West of England Trust, have sold 29.5 per cent. of the votign rights — in a combination of Ordinary, "A" Ordinary and Preference — to Linfood.

The terms of the offer are 69 Linfood for 200 Ordinary of Gateway; 62 Linfood for 200 "A" Ordinary of Gateway; and 100p cash for every 4.9 per cent. £1 Preference share. With Linfood at 200p, down 10p yesterday, the equity bids are worth 69p for the Ordinary and 62p for the "A".

The bid is underwritten for cash. Guinness Mahon, the banking subsidiary of Guinness Peat — which has 22.9 per cent. of Linfood and which is also headed by Lord Kissin — is offering to buy back any of the 2.9m. Linfood shares to be issued in the offer at 190p each. The cash offer is thus equivalent to 65.55p per Gateway Ordinary share and 58.9p per "A" share.

Speculation prior to the offer saw Gateway "A" shares as high as 46p, 10p above the January 6 level. Last night the "A" shares closed 11p up at 56p.

Although the bid has been accepted by holders of 29.5 per cent. of Gateway votes, there is a further 38 per cent. in the hands of three parties: 15.7 per cent. still with West of England Trust; 13.1 per cent. with the ICFC; and 9.1 per cent. in the hands of Nutraco Nominees which is believed to represent the interests of merchant bankers S. G. Warburg.

Accepting shareholders of Gateway will receive and retain the Gateway interim dividend in respect of the current year of 0.63p net per Ordinary and "A" Ordinary share.

The acquisition is mainly attractive to Linfood because of the improvement in the geographical spread. It intends to expand the business of Gateway and has given undertakings regarding the Gateway staff.

Another attraction is that, if the bid is successful, it will also inherit the 30 per cent. holding that Gateway has in Bishop's Stores.

Linfood has been advised by Guinness Mahon and Gateway by Morgan Grenfell.

● comment

Geographically Gateway fits in well with Linfood. Linfood's nearest area of operation is its Amalgamated Food Distributors in Portmouth, which only competes with a handful of Gateways 94 outlets. Also Linfood is Gateway's largest customer for Pink Stamps outside its own outlets. Gateway's profits performance has been flat over the past couple of years, but this probably reflects the costs of rationalising the Ford and Lock acquisition rather than a poor performance from the basic operation. Anyway Pink Stamps is evidently making a small profit and Linfood reckons that Gateway can be absorbed without any earnings dilution. As for Gateway "A" Ordinary shareholders there should be little quibbling on price for the bid is worth 62p per share (if Linfood shares are taken) against a price of 33p at the beginning of the year, and the exit p/e is 12—against 8.3 for the food retailing average. An interesting possobility for the future is that a successful bid would give Linfod a 30 per cent stake in Bishop's Stores, and that would be another new area for Linfood.

STOREY SALE TO BERGER JENSON

Storey Brothers and Company has disposed of its interest in Macgregor Wallcoverings to Berger, Jenson and Nicholson, the majority shareholder in Macgregors.

The consideration for the sale of the 81,000 Ordinary shares in Macgregors is £100,000.

FARM FEED

Farm Feed Holdings' subsidiary Farm Feed Formulators on November 11 1976 purchased 12,250 shares in Farm Feed Formulators (South Western) for £39,000 cash thus bringing the holding in the company to 100 per cent.

MINING SUPPLIES

Mining Supplies has acquired the freehold land and premises and leasehold land known as Hexthorpe Brass and Iron Works at Doncaster, consisting of 5¾ acres of freehold land including 30,000 square feet of factory and ancillary premises and 618 square yards of leasehold land. Purchase price for the property is £180,000 cash.

WHITECROFT SEES SUBSTANTIAL PROFIT RISE

In the latest step in their bid defence, the directors of Whitecroft say that the estimated profits for the year to March 31, 1977, will show a substantial increase over 1975-76 and they propose to recommend a substantially higher total dividend. This will in their opinion justify a significantly higher market price than the closing market price on January 14, 1977, of 134p against which Hanson Trust offers only 122p.

Stockholders are strongly advised to take no action in connection with their holdings in Whitecroft.

WM. PRESS-JAMES SCOTT

William Press and Son announces that the offer for the Ordinary shares in James Scott Engineering Group which, together with Preference offers, was declared unconditional on December 31, remains open for acceptance until further notice.

Acceptances been received in respect of 3,811,254 Scott Ordinary (96.1 per cent.). Together with shares held prior to offer period Press now controls 98.4 per cent. of Ordinary capital and intends to acquire the outstanding shares compulsorily.

Both of the offers for the 4.55 per cent. Cumulative Preference shares and 4.55 per cent. second Cumulative Preference shares of Scott will close on January 28.

SAXON ENERGY AND NATURAL RESOURCES

Energy, Finance and General Trust announces the formation of Saxon Energy and Natural Resources in association with Mr. David Hooker.

Saxon has been formed to identify and manage oil and gas exploration and production interests primarily in North America for British and European companies, and to develop further opportunities for British capital which is increasingly contributing to the development of the North Sea and the oil industry elsewhere in the world.

KIMPHER/ARTHUR GUINNESS

The directors of Kimpher are discussing the projected bid by a subsidiary of Arthur Guinness Son and Co. with Williams Glyn and Co. and will be writing to shareholders in due course. In the meantime holders are advised to take no action on any documents they may receive.

WIGGINS CONSTRUCT

Wiggins Construct (Northern) has been formed by Wiggins Construct. It will be based at Morley, Leeds, and will undertake construction mainly of an industrial nature.

ASSOCIATE DEALS

Cazenove and Co., on Friday, purchased 90,000 Golden Hope Plantations at 89p on behalf of Harrisons and Crosfield.

Rowe and Pitman, Hurst-Brown, on Friday, bought 125,000 Dunford and Elliott ordinary shares at 51p and 19,500 10 per cent. convertible redeemable pref. shares at 28½p for Johnson and Firth Brown.

Capel-Cure Myers, on Friday, purchased 25,000 Dunford and Elliott at 50½p on behalf of a discretionary investment client and sold 1,215 Dunford and Elliott new 10 per cent. Convertible Preference shares at 23p premium on behalf of an associate.

SHARE STAKES

Tanganyika Concessions announces that Societe Generale de Belgique now holds 3,994,000 Ordinary shares or 23.26 per cent.

Walter Lawrence is beneficial holder of 395,000 Econa shares (10.56 per cent.).

Sophus Berendsen has bought a further 31,250 Rentokil shares to bring its total holding to 34,590,000 out of the capital of 63m. shares.

Jorehaut Holdings has bought 125,000 Unochrome International shares increasing its holding to 3,535,000 shares.

Bernard Owen and Partners has bought 25,000 Unochrome shares increasing the number controlled by Mr. and Mrs. B. C. Owens to 673,000 shares.

Battle looms as Cattles gets offer

A bid battle looks in prospect between rival check trading groups Provident Financial and Cattle's (Holdings) following the announcement that Provident—which already has a 25.64 per cent. holding in Cattle's—is to offer 32p cash per share for the remainder.

An official reply to the bid, which places a value on Cattle's of just about £5m., is expected to-day after consultation with financial advisers Schroder Wagg. However, it was clear yesterday that the bid will almost certainly be rejected on the argument ha it is inadequate.

A spokesman for Provident said yesterday that the possibility of a share exchange offer by Provident had been discussed by the two parties before, in 1974 and 1975, but that agreement could not be reached. Provident has also been unsuccessful in its attempts to gain representation on the Cattle's Board.

The share price of Cattle's closed 2p above the value of the bid at 34p last night, for a gain of 14p on the day. Provident ended 1p higher at 63p.

The directors of Cattle's, according to the last report and accounts, control around 29 per cent. of the voting.

The main attractions of Cattle's are that it offers better geographical spread—it is particularly strong in Humberside and the East Midlands, where Provident is not—and there are extra customers with very little duplication. Provident states that the current operations of Cattle's will continue and "will be developed within the larger group."

Provident's financial advisers, merchant bankers Hill Samuel, will post the official offer documents as soon as possible.

CHARTERHOUSE GROUP ACQUISITION

Charterhouse Group is acquiring the Cheltenham-based insurance broking firm of R. J. Hickson and Company for £45,000 by the issue of 97,740 Ordinary shares. The shares will not rank for the final dividend for the year ended September 30, 1976. R. J. Hickson will be merged with the existing Glanvill Enthoven subsidiary Glanvill Enthoven (Western) of Gloucester.

FORMULA/J. JANES STEERING WHEELS

Formula Steering Wheels, of Gravesend, Kent, has been acquired by J. W. Janes Group following a ten-year association with Plated Presswork, another member of the group.

The acquisition makes available to FSW more than twice their existing factory and laboratory area.

H & C TO ACCEPT REVISED OFFER

The formal offer document containing the revised "marriage" plans for Harrisons and Crosfield's "three sisters"—Golden Hope, London Asiatic Rubber and Pataling—states that Harrisons and its associates intend to accept the offers in respect of their holdings representing approximately 26 per cent. of both London Asiatic and Pataling and 29 per cent. of Golden Hope. The associates acting in concert with Harrisons and Crosfield do not include the Sogomana Group whose holding of 1.5m. Golden Hope shares would have pushed Harrisons and Crosfield over the 30 per cent. mandatory bid barrier. The Takeover panel is aware of the situation and has approved the exemption of Sogomana.

BRIT ALUMINIUM/ ALUMINIUM CORP.

The British Aluminium Corporation and its subsidiary Aluminium Corporation have reached agreement whereby AC will become a wholly-owned subsidiary of Baco. Baco is already beneficially interested in 1,491,852 Ordinary shares of AC representing 77.7 per cent. of the capital.

It is proposed that the Ordinary shares of AC in which Baco has no interest should be cancelled and would receive from Baco 100p in cash for each share. This compares with a middle market quotation on January 14, 1977 of 45p.

Holders will be entitled to the dividend in respect of the year 1976, expected to amount to 3.245p net maximum payable.

AC operates a rolling mill at Dolgarrog, North Wales, and produces aluminium and aluminium alloy sheets, circles and coil. It also operates a plant for the coating of its own and other companies' products.

As at December, 31, 1975, the net assets of AC amounted to £2,297,135. The consolidated profit before taxation and extraordinary items for 1975 was £37,646 and for the six months ended June 30, 1976, £360,726.

WOLSELEY-HUGHES ARCHIE KIDD

Wolseley-Hughes and Archie Kidd, a privately owned company of agricultural engineers of Devizes, are having negotiations which subject to finalisation wil lead to Archie Kidd joining the Wolseley-Hughes group.

NEW CAMREX COMPANIES

In order to put greater emphasis on research and development to support continued expansion and to keep the group's products in the forefront of the market, Camrex Holdings has formed Camrex (Research and Development).

Camrex (Management Services) will co-ordinate management services throughout the group.

H. A. LIGHT

H. A. Light, of Kingstanding, Birmingham, has acquired the assets of the Components (Multiforms) Division of Cradley Heath, from John Smith, Birmingham.

PMPA/McCAIRNS

Acceptances had been received by the close of the offer by the PMPA Insurance for McCairns Motor in respect of 785,098 shares. PMPA now owns 1,840,547 shares, or 92.3 per cent. of the capital. Over 300 shareholders are retaining their interests in McCairns.

Better year ahead for Tomkinsons

The carpet industry has over-invested in carpet machinery to such an extent that excess capacity has driven profit levels down too low for healthy operation, says Mr. K. R. G. Tomkinson, the chairman of carpet manufacturers and spinners Tomkinsons (Holdings) in his annual statement for the year ended October 2, 1976.

Mr. Tomkinson adds that, as carpet spinning seems to be a less over-produced sector of the company than finished carpets, the group's main investment in the coming year will be at the Mid-Wales spinning subsidiary. Attempts are also being made to broaden the base of the business by using the group's marketing expertise.

Members are told that the coming year holds out better opportunities for the group than the past year, when pre-tax profits fell from £280,160 to £239,647 and earnings were cut from 4.8p to 3.7p. The dividend is unchanged at 3.675p net per 25p share (reported on November 30, 1976).

Group cash balances decreased by £543,228 during the year, compared with an increase of £521,705.

Jensen Motors is wound up

JENSEN MOTORS, whose registered office is in Kelvin Way, West Bromwich, was compulsorily wound up in the High Court yesterday.

Mr. Justice Oliver made the order on an unopposed petition by Jensen Motor Inc., of California, trade creditors for £1.25m., supported by The International Paint Company, claiming £2,300.

WINTRUST

The Board of Wintrust has decided to allow shareholders the option to elect in part or wholly for scrip in lieu of the cash dividend announced on December 23, 1976, and payable on February 28, 1977.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1976/77 High	1976/77 Low	Stock	Closing Price p	+ or −	Div. Amount	Times covered	Gross Yield	P/E Ratio
—	F.P.	—	557₂	224	Utd. Technologies US$5	230½	-⅛	Q$1.?			2.5

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1976/77 High	1976/77 Low	Stock	Closing Price £	+ or −
11	F.P.	18/2	£100	£97½	Adams Foods 1.% Conv. 1981-85	98	......
¥£1	Nil	19/1	28	7½	Dunford & Elliot 10% Conv. Red pref.	15ppm	−8
††£94	F.P.	28/1	97½	95½	Essex Water 9% Red. Pref. 1982	97½	......
11	F.P.	1/12	71	70	Newman Inds. 10% Cum. Pref.	71	......
††£94	F.P.	7/1	97	94¼	Tendring Hundred W'works 9% Red Pt.1981	97	......
—	F.P.	7/1	76	71	Willis Faber 8% Cum. Pref.	76	......

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date †	Latest Renunc. Date ‡	1976/77 High	1976/77 Low	Stock	Closing Price p	+ or −
50	F.P.	—	—	50½	45	Aberdeen (city of) Land Assoc.	47	......
54	F.P.	10/12	28/1	88½	58	Assoc. Engineering	86½	+½
$A4	$A2	—	5/12	500	47	Broken Hill Props.	495	−5
100	F.P.	12/1	9/2	140	130	Elbar Ind's	150	......
$A1.75	F.P.	6/12	17/12	245	188	National Bank of Australasia	240	−6
$A1.70	F.P.	18/6	—	187	128	Western Mining	141	−1

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p Pence unless otherwise indicated. u Forecast dividend; cover based on previous year's earnings. n Figures based on prospectus or other official estimate for 1976 Q Gross. r Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ¥ Offered to holders of Ordinary shares as a "rights." ♥ 50 S Afr cents. § Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ¶ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to former Preference holders. ■ Allotment letters (or fully-paid). • Provisional or partly-paid allotment letters. ¢ With warrants. ⊕ After suspension. KD Kuwait Dinar

Rand Mines Limited

Gold Mining Company and Colliery Reports for the Quarter ended 31st December, 1976

(All Companies incorporated in the Republic of South Africa)

Office of the Secretaries of the undermentioned companies in the United Kingdom: 40, Holborn Viaduct, London EC1P 1AJ.

EAST RAND PROPRIETARY MINES, LIMITED

ISSUED CAPITAL: R3 960 000 in shares of R1.00 each.
REPORT OF THE DIRECTORS FOR THE QUARTER ENDED 31ST DECEMBER, 1976

[illegible]

CAPITAL EXPENDITURE

There are commitments for capital expenditure amounting to R912 000.

[illegible]

For and on behalf of the board
R. S. LAWRENCE (Chairman) } Directors
R. J. J. FOURIE

10th January, 1977.

BLYVOORUITZICHT GOLD MINING COMPANY, LIMITED

ISSUED CAPITAL: R6 030 000 in 24 000 000 shares of 25 cents each.
REPORT OF THE DIRECTORS FOR THE QUARTER ENDED 31ST DECEMBER, 1976

[illegible]

CAPITAL EXPENDITURE

There are commitments for capital expenditure amounting to R3 597 000. The estimated total capital expenditure for the remainder of the current financial year is R8.0 million.

For and on behalf of the board
A. C. PETERSEN (Chairman) } Directors
D. D. WATERMAN

7th January, 1977

HARMONY GOLD MINING COMPANY LIMITED

[illegible]

For and on behalf of the board
A. C. PETERSEN (Chairman) } Directors
D. T. WATT

10th January, 1977.

DURBAN ROODEPOORT DEEP, LIMITED

[illegible]

... from time to time, will be repayable out of profits in excess of an agreed percentage or, on the cessation of underground mining operations, from the proceeds of the sale of the fixed assets used in the mining and treatment of ore.

Details of the loan agreement which should be concluded in the near future will be set out in the Directors' Report for the year ended 31st December 1976.

For and on behalf of the board
R. S. LAWRENCE (Chairman) } Directors
N. A. HONNET

7th January, 1977

CITY DEEP, LIMITED
CONSOLIDATED MAIN REEF MINES AND ESTATE, LIMITED
CROWN MINES, LIMITED

(Wholly-owned subsidiaries of Rand Mines Properties Limited)

CONSOLIDATED REPORT OF THE DIRECTORS FOR THE QUARTER ENDED 31ST DECEMBER, 1976 (MINING OPERATIONS ONLY)

[illegible]

GENERAL

Mining Operations

Although underground mining operations were suspended at Consolidated Main Reef Mines and Estate Limited on 22nd August 1975, the above consolidated figures include some gold revenue received by that company.

Underground mining operations were suspended at City Deep, Limited on 30th November 1976.

Clean-up operations are in progress at City Deep, Limited and Consolidated Main Reef Mines and Estate, Limited.

For and on behalf of the boards,
R. S. LAWRENCE (Chairman) } Directors
D. D. WATERMAN

7th January, 1977.

WELGEDACHT EXPLORATION COMPANY, LIMITED

ISSUED CAPITAL: R4 090 813 IN SHARES OF 45 CENTS EACH
REPORT OF THE DIRECTORS FOR THE QUARTER ENDED 31ST DECEMBER 1976 ON THE OPERATIONS OF THE COMPANY AND ITS WHOLLY-OWNED SUBSIDIARY

OPERATING RESULTS	Quarter ended 31.12.1976	Quarter ended 30.9.1976
Tons sold—metric	471 901	494 444
FINANCIAL RESULTS		
Working profit	R1 454 236	R1 892 753
Working profit cents per ton	314.6	382.8
Net railway revenue	R6 135	R4 691
Net sundry revenue	R9 960	R26 016
Debenture and loan interest	R(4 079)	R(7 918)
PROFIT BEFORE TAXATION	R1 492 905	R1 915 544
Taxation	R265 263	R121 666
PROFIT AFTER TAXATION	R1 227 643	R1 733 878
Capital expenditure	R811 103	R1 347 557
Drilling and exploration (incl. in sundry expenditure)	R48 490	R25 762
Dividend declared	R636 349	R —

DIVIDENDS

Dividend No. 38 of 7 cents per share was declared on 13th October, 1976 payable on or about 19th November 1976 to shareholders registered on 29th October 1976.

CAPITAL EXPENDITURE

There are commitments for capital expenditure amounting to R1 330 520. The estimated total capital expenditure for the remainder of the current financial year is R2 599 000.

For and on behalf of the board
A. A. SEALEY (Chairman) } Directors
N. ZOLEZZI

10th January, 1977.

WITBANK COLLIERY, LIMITED

ISSUED CAPITAL: R12 576 560 IN ORDINARY SHARES OF R2 EACH
REPORT OF THE DIRECTORS FOR THE QUARTER ENDED 31ST DECEMBER, 1976 ON THE OPERATIONS OF THE COMPANY AND ITS WHOLLY-OWNED SUBSIDIARIES

OPERATING RESULTS	Quarter ended 31.12.1976	Quarter ended 30.9.1976
Tons sold—metric	1 633 372	1 561 629
FINANCIAL RESULTS		
Working profit	R9 619 732	R8 820 909
Working profit cents per ton	588.9	530.6
Net sundry expenditure	R469 644	R350 872
PROFIT BEFORE TAXATION	R9 150 088	R8 470 037
Taxation	R—	R20
PROFIT AFTER TAXATION	R9 150 088	R8 470 017
Capital expenditure	R3 680 845	R4 714 617
Exploration expenditure (incl. in sundry expenditure)	R61 760	R32 405
Dividend declared	R—	R177 100

CAPITAL EXPENDITURE

There are commitments for capital expenditure amounting to R30 735 344. The estimated total capital expenditure for the remainder of the current financial year is R20 891 000.

For and on behalf of the board.
A. A. SEALEY (Chairman) } Directors
R. B. MACGILLIVRAY

10th January, 1977.

Notes

1. There were 76 working days in the quarter ended 31st December, 1976 compared with 78 days in each of the previous quarters of the year.
2. Gold development values quoted herein represent actual results of sampling, no allowance having been made for any adjustments which may be or were necessary when estimating ore reserves at the end of the respective financial years.
3. All financial figures are subject to audit.

Copies of these quarterly reports are obtainable from the United Kingdom Registrars and Transfer Agents, Charter Consolidated Limited, P O Box No 102, Charter House, Park Street, Ashford Kent TN24 8EQ

MINING NEWS

Labour shortage hits gold production

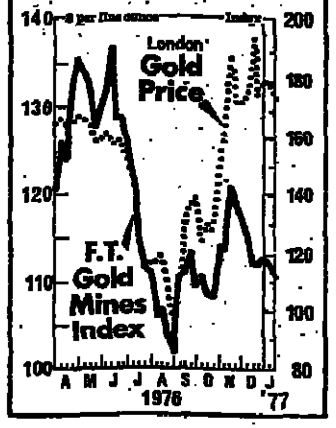
BY KENNETH MARSTON, MINING EDITOR

A SHORTAGE of black labour has dampened the December quarterly working profits of South Africa's gold mines. Lower production has largely eroded the benefits of better bullion prices received which, in the case of the Consolidated Gold Fields group's mines, have ranged from $117 to $126 per ounce compared with an industry average of about $113 in the previous three months.

The previous under-supply of black labour, which came to an end in the middle of last year, was mainly a result of political pressures. This time, however, social reasons have come to the fore. Seasonal departures of men for sowing time at their farms have resulted in a larger turnover because over 45 per cent. of the labour force is now drawn from within South Africa and these men tend to work shorter contracts of six or nine months.

They subsequently return for a further stint of minework, but the fact that their wages have been more than quadrupled over the past four years means that many of the men prefer to spend less of their working time at the mines while still earning sufficient for their needs.

At the end of the December quarter Kloof's black labour strength was at only 72 per cent. of requirements. Despite a higher gold price of $120 against $113 in the September quarter and an increase in the grade of ore milled, the mine's latest working revenue has fallen, reflecting



lower production as a result of the labour shortage.

West Driefontein has been similarly affected, but has been helped by a profit on uranium following a loss in the previous quarter. Doornfontein has made a higher working surplus thanks to a good gold price of $126 while East Driefontein has been milling higher grade ore.

	Dec. qtr. R000	Sept. qtr. R000	June qtr. R000
Doornfontein	1,889	1,495	3,380
East Driefontein...	21,896	15,877	21,158
Kloof	4,600	5,136	6,238
Libanon	1,489	1,131	2,432
Venterspost	*85	*1,430	906
Vlakfontein	749	*247	292
West Driefontein ..	32,486	32,126	37,687

* Loss.

Now nearly worked out, Vlakfontein expects its underground mining operations to cease towards the end of the current quarter, but intends to continue milling of low grade materials from the surface dump for as long as this remains profitable. The group's working profits are compared below.

Harmony's uranium boost

THE OUTSTANDING feature of the Barlow Rand group's December quarterly reports is news of Harmony's leap in working profits from uranium to R14.8m. (£9.9m.) in the period compared with only R1.7m. from gold. Last November the mine confirmed that it had made a recent large sale of uranium oxide, but said that its size was less than half the rumoured figure of 450 tons.

Harmony now points out that the past quarter's working profit from uranium, pyrite and acid includes the proceeds of certain sales made from the stockpile of processed uranium. This stockpile is now down to about 84 per cent. of its size at the end of last June.

Labour shortage has adversely affected gold production of the marginal producers, Durban Deep and East Rand Proprietary, who have also re-estimated their ore reserves on the basis of a gold price of $130 per ounce compared with $140 a year ago.

This factor, together with the increase in working costs, has made large tonnages of ore unpayable with the result that Durban's ore reserve at December 31 last has been put at only 481,000 tons compared with 2,747,000 tons at end-1975. That of ERPM has fallen to 1,150,000 tons from 5,160,000 tons.

State loans are to be made available to both companies to cover any losses made this year after taking into account the normal state assistance. The latter aid is not included in the table of quarterly working results shown below.

	Dec. qtr. R000	Sept. qtr. R000	June qtr. R000	March qtr. R000
Blyvoor	7,446	8,856	11,205	12,134
Durban Deep	*1,909	*2,932	*1,298	*789
E. Rand Pty.	*1,680	*2,628	*1,582	*124
Harmony ...	16,973	1,936	9,767	10,280

* Loss.

DIVIDEND HOPES FROM PETALING

The Malaysian tin producer, Petaling, expects to be paying shareholders higher dividends, although no specific amounts have been indicated for the current financial year.

In his annual statement, the chairman, Tan Sri Nik Ahmed Kamil, says, "It would appear that the company can now look forward to a period of profitable operations which will, in due course be reflected in increased dividend distributions."

In the year to the end of last October there was an interim dividend of 12.5 cents (2.89p) but no final because of tax credit reasons. Net annual profits moved sharply higher to $M6.12m. (£1.4m.) from $M2.82m. in the previous year, on the back of increased output, stockpile sales and a higher metal price. Operating expenses were held to an increase of 4 per cent. over the 1974-75 year. Petaling were 140p yesterday.

RECORD VALUES IN CANADA

Canada's mining industry surged ahead in 1976, measured by the value of production. This rose 12 per cent. to a new record of $8.35bn. (£4.8bn.), against $7.48bn. in 1975. The total includes an arbitrary estimate of $250m. in 1976 and $200m. in 1975 for the value of uranium. The Government is not publishing this figure, for what are reputedly competitive reasons.

Iron ore products took the first place, beating copper which had been the leader in 1975, with a value $1.24bn. (£717m.). Nickel was second at $1.23bn., copper third at $1.12bn., and zinc fourth at $862m. Coal production was worth $604m., asbestos $446m. and potash $361m.

In terms of size, Canada's mining industry is surpassed only by the United States and the Soviet Union.

LIVES LOST AT HARTEBEEST

Four black mineworkers are dead and five others are missing following an accident at the Anglo-Transvaal group's Hartebeestfontein gold mine in South Africa. More than 30 other mineworkers were injured, although not seriously.

The accident took place 2,000 metres below the surface as a result of what the company calls "a seismic event." There was a rock movement, the epicentre of which was 568 metres above the mining area.

THE LIST OF APPLICATIONS WILL BE OPENED AT 10 a.m. ON THURSDAY, 20th JANUARY 1977 AND WILL BE CLOSED ON THE SAME DAY

13¾ per cent. TREASURY LOAN, 1993

ISSUE OF £1,250,000,000 AT £96.00 PER CENT.

Payable in Full on Application

Interest payable half-yearly on 23rd May and 23rd November

This Loan is an investment falling within Part II of the First Schedule to the Trustee Investments Act 1961, subject as regards securities payable to bearer to the provisions of Section 7 of the Trustee Act 1925. Application has been made to the Council of The Stock Exchange for the Loan to be admitted to the Official List.

THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND are authorised to receive applications for the above Loan.

The principal of and interest on the Loan will be a charge on the National Loans Fund, with recourse to the Consolidated Fund of the United Kingdom.

The Loan will be repaid at par on 23rd November 1993.

The Loan will be issued in the form of stock which will be registered at the Bank of England or at the Bank of Ireland, Belfast, and will be transferable, in multiples of one new penny, by instrument in writing in accordance with the Stock Transfer Act 1963. Transfers will be free of stamp duty.

On or after 20th June 1977 stock may be exchanged into bonds to bearer which will be available in denominations of £100, £200, £500, £1,000, £5,000, £10,000 and £50,000. Bonds will be free of stamp duty.

Stock will be interchangeable with bonds without payment of any fee.

Interest will be payable half yearly on 23rd May and 23rd November. The first payment will be made on 23rd May 1977 at the rate of £4.64 per £100 of the Loan. Warrants for interest on stock will be transmitted by post: income tax will be deducted from payments of more than £5 per annum. Interest on bonds to bearer, less income tax, will be paid by coupon.

Stock and bonds of this issue and the interest payable thereon will be exempt from all United Kingdom taxation, present or future, so long as it is shown that the stock or bonds are in the beneficial ownership of persons who are neither domiciled nor ordinarily resident in the United Kingdom of Great Britain and Northern Ireland.

Further, the interest payable on stock or bonds of this issue will be exempt from United Kingdom income tax, present or future, so long as it is shown that the stock or bonds a.. in the beneficial ownership of persons who are not ordinarily resident in the United Kingdom of Great Britain and Northern Ireland. For the purposes of the preceding paragraphs, persons are not ordinarily resident in the United Kingdom if they are regarded as not ordinarily resident for the purposes of United Kingdom income tax.

Applications for exemption from United Kingdom income tax should, in the case of interest on stock, be made in such form as may be required by the Commissioners of Inland Revenue. Bearer bond coupons will be paid without deduction of United Kingdom income tax if accompanied by a declaration of ownership in such form as may be required by the Commissioners of Inland Revenue. The appropriate forms may be obtained from the Inspector of Foreign Dividends, Inland Revenue, Lynwood Road, Thames Ditton, Surrey, KT7 0DP. These exemptions will not entitle a person to claim repayment of tax deducted from interest unless the claim to such repayment is made within the time limit provided for such claims under income tax law; under the provisions of the Taxes Management Act 1970, Section 43 (1), no such claim will be outside this time limit if it is made within six years from the date on which the interest is payable. In addition, these exemptions will not apply so as to exclude the interest from any computation for taxation purposes of the profits of any trade or business carried on in the United Kingdom. Moreover, the allowance of the exemptions is subject to the provisions of any law, present or future, of the United Kingdom directed to preventing avoidance of taxation by persons domiciled, resident, or ordinarily resident in the United Kingdom and, in particular, the interest will not be exempt from income tax where, under any such provision, it falls to be treated for the purpose of the Income Tax Acts as income of any person resident or ordinarily resident in the United Kingdom.

Applications, which must be accompanied by payment in full for the amount applied for, will be received at the Bank of England, New Issues, Watling Street, London, EC4M 9AA; a separate cheque must accompany each application. Applications must be for £100 of the Loan or a multiple thereof: no allotment will be made for a less amount than £100 of the Loan. Letters of allotment in respect of the Loan allotted will be despatched by post at the risk of the applicant. In the case of partial allotment, the surplus after providing for payment for the amount allotted will be refunded by cheque.

Letters of allotment may be split into denominations of multiples of £100. They may be lodged for registration forthwith and in any case must be lodged for registration not later than 8th March 1977. Stock may be exchanged for bonds to bearer on or after 20th June 1977.

A commission at the rate of 12.50p per £100 of the Loan will be paid to bankers or stockbrokers on allotments made in respect of applications bearing their stamp: however no payment will be made where the banker or stockbroker would receive by way of commission a total of less than £1.

Application forms and copies of this prospectus may be obtained at the Bank of England, New Issues, Watling Street, London, EC4M 9AA, or at any of the branches of the Bank of England; at the Bank of Ireland, P.O. Box 13, Donegall Place, Belfast, BT1 5BX; from Messrs. Mullens & Co., 15 Moorgate, London, EC2R 6AN; or at any office of The Stock Exchange in the United Kingdom.

BANK OF ENGLAND
LONDON
14th January 1977.

THIS FORM MAY BE USED

For use by Banker or Stockbroker claiming commission—

mp)

VAT Regn. No.
(If not registered put "NONE")—

THE LIST OF APPLICATIONS WILL BE OPENED AT 10 a.m. ON THURSDAY, 20th JANUARY 1977 AND WILL BE CLOSED ON THE SAME DAY

13¾ per cent. Treasury Loan, 1993

ISSUE OF £1,250,000,000 AT £96.00 PER CENT.

TO THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND

The applicant named below requests you to allot to him/her in accordance with the terms of the prospectus dated 14th January 1977 a £

say .... pounds of the above-named Loan. The applicant requests that any letter of allotment in respect of the Loan allotted to him/her be sent to him/her by post at his/her risk.

The sum of £ ...., being the amount required for payment in full (namely £96.00 for every £100 of the Loan applied for), is enclosed.

c I/we declare that the applicant is not resident outside the Scheduled Territories d and that the security is not being acquired by the applicant as the nominee of any person(s) resident outside those Territories.

.... January 1977. SIGNATURE ....
of, or on behalf of, applicant.

PLEASE USE BLOCK LETTERS

SURNAME OF APPLICANT
MR/MRS/MISS OR TITLE ....

FIRST NAME(S) IN FULL ....

ADDRESS IN FULL ....

....

a Applications must be for £100 of the Loan or a multiple thereof, and should be lodged at the Bank of England, New Issues, Watling Street, London, EC4M 9AA.

b A separate cheque must accompany each application. Cheques should be made payable to "Bank of England" and crossed "Treasury Loan."

c If this declaration cannot be made it should be deleted and reference should be made to an Authorised Depositary or, in the Republic of Ireland, an Approved Agent, through whom lodgment should be effected. Authorised Depositaries are listed in the Bank of England's Notice EC 1 and include most banks and stockbrokers and practising solicitors in the United Kingdom, the Channel Islands or the Isle of Man; Approved Agents in the Republic of Ireland are defined in the Bank of England's Notice EC 10.

d The Scheduled Territories at present comprise the United Kingdom, the Channel Islands, the Isle of Man, the Republic of Ireland and Gibraltar.

Ombudsman to study vaccination cases

THE OMBUDSMAN, Sir Idwal Pugh, has agreed to study the individual cases of children who suffered brain damage after being given whooping cough vaccinations.

Labour MP Mr. Jack Ashley, who is campaigning on behalf of the parents of affected children, said yesterday after a meeting with Sir Idwal that the Health Department would be under strong pressure to offer compensation if official maladministration were proved.

The first few case files will arrive on the Ombudsman's desk in the next few days. Hundreds more—possibly as many as a thousand if Mr. Ashley's hunch is correct—could follow.

The MP was accompanied at yesterday's talks in London by Mrs. Rosemary Fox, chairman of the Association of Parents of Vaccine-Damaged Children. Her own 15-year-old daughter, Helen, has suffered from severe brain damage since she was vaccinated at the age of seven months.

Mr. Ashley said: "The Ombudsman has agreed that he will look into individual cases which we present to him. He must examine these and obviously cannot commit himself until he has seen them.

Support

"In my view there has been maladministration, although I am not making any specific allegations at the moment. What I am saying is that there is a *prima facie* case to be answered.

Mrs. Fox's organisation has almost 300 cases on its books, but Mr. Ashley believes there may be as many as a 1,000 to come to light.

"I want to emphasise that I strongly support the immunisation programme. Although there has been some medical argument about it, I cannot judge that

"The programme's advantages for the majority cannot be an excuse for not looking into these hundreds of cases. Although the Ombudsman cannot deal with compensation, I would be astounded if the Government maintained its stubborn refusal to give justice to these children if he found in our favour."

Mr. Ashley and Mrs. Fox want procedures tightenend to minimise the risk of further children being affected.

Mrs. Fox said: "My daughter is physically 15-years-old, but mentally exactly the same as the day she was vaccinated. She has to be fed dressed, washed and looked after as if she were a baby."

Five men held by Fraud Squad in Midlands

FRAUD SQUAD detectives from Scotland Yard and West Midlands police arrested five men yesterday following a year-long investigation into two loan companies.

Three men were detained in London, one in Sussex and one in Wolverhampton. Those arrested in the South were later taken to West Bromwich for questioning. They are expected to appear in court to-day.

Police inquiries into allegations dating from 1974 involve about £100,000 in connection with payments of survey, brokerage, commitment and other fees for commercial loans and mortgages.

Progress seen on devolution

THE GOVERNMENT is "relatively well pleased" with the progress so far of the Devolution Bill in the Commons, a junior minister said in Glasgow yesterday.

Mr. Harry Ewing, under-secretary of state in the Scottish office with special responsibility for devolution, said that the Government was confident the Bill would proceed according to schedule—although more than 1,000 amendments could be put forward.

The English "backlash" was now non-existent, he said the Bill should be out of the Commons and in the Lords by Whitsun, and assembly elections could be held early next year.

More hearings in bankruptcy

LONDON BANKRUPTCY Court is to hold extra hearings because of a big increase in the number of bankruptcies.

Traditionally the court has always sat on four days a week—from Tuesdays to Fridays—but now it will sit on Mondays too.

Last year's increase of about 25 per cent. in the number of hearings is expected to level off this year. The court was overworked last year and cannot cope efficiently in four days.

M.Y. DART LIMITED

Sporting goods, packaging, pyrotechnics

The A.G.M. was held on 30th December 1976.

Extracts from the 1975/76 Report and Accounts and Statement of the Chairman, Mr. Sidney Marks, OBE:—

* Group turnover including share of associates increased to £10,617,000 (£8,743,000).
* Exports increased by 29% to £3.4 million.
* The profit for the full year after a depressed first half almost equalled that of the previous record year at £1,175,000 (£1,220,000).
* Gross dividends totalled 23.1231% (1975 – 21.021%).
* Net assets, after revaluation of Group properties, advanced to £4,344,000.

At the meeting, the Chairman said that the half year just ending would show record sales. Plans to expand all divisions within the Group were receiving attention.

Copies of the 1975/76 Report and Accounts are available from The Secretary, M. Y. Dart Limited, Moxon Street, Barnet, EN5 5TR.

APPOINTMENTS

J. M. Pickard to head Grattan Warehouses

Mr. J. Michael Pickard has joined the Board of GRATTAN WAREHOUSES as a deputy chairman prior to becoming chairman. This follows the recent appointment of Mr. Michael Place as sole managing director and is in preparation for the normal retirement of Mr. Robert Owthwaite, the chairman. Mr. Pickard is deputy chairman of the British Printing Corporation, a director of Bestobell, and also has his own company covering a group of family restaurants and sporting facilities.

★

With effect from March 1, Mr. K. H. Douglas is appointed marketing director of GKN Transmissions and Mr. R. R. Woodward joins the Board of GKN Transmissions as line director for the subsidiary company, GKN Kent Alloys, of which he is managing director.

Both appointments are consequent upon the incorporation into the GKN Transmissions sub-group of GKN Shotton and GKN Kent Alloys which formerly comprised the GKN Castings sub-group.

Mr. B. S. Pugsley is resigning from his appointments in the GKN Castings sub-group on leaving the services of the group.

Mr. R. Burton previously technical and sales director of Laycock Engineering has been made director and general manager of GKN Shotton and Mr. D. Edwards, previously secretary of GKN Shotton, will be director, financial controller and secretary. Mr. I. M. Scholfield becomes technical director of Laycock Engineering.

★

Mr. Walter Eltis has been appointed a consultant to ROWE AND PITMAN HURST-BROWN, stockbrokers.

★

Mr. Raymond Cory has been appointed a non-executive director of A.B. ELECTRONIC COMPONENTS. He is chairman of the John Cory and Sons group.

★

Mr. J. C. Camps has been appointed a director of R. K. HARRISON AND CO. Mr. R. Thoresen has resigned as chairman and joint managing director of R. K. HARRISON J. I. JACOBS (INSURANCE). Mr. G. H. C. Dart has become chairman of that company and Mr. P. C. G. Shanks managing director.

★

Mr. R. N. Long has been appointed sales director of CRYSPLEX, a newly-formed company of the Crofton Group. Mr. B. J. Wolfe and Mr. R. A. Steer, managing director and secretary respectively of the parent company, Crofton Limited, also join the Board of the new company.

★

Mr. B. M. S. Mauduit has relinquished his appointment as a director of KINGABY SIMMONS MAUDUIT (REINSURANCE BROKERS) and DEPENDABLE INSURANCE AGENCIES. Mrs. D. D. E. Kingaby and Mr. R. R. Schweitzer have retired from the Board of Dependable Insurance Agencies.

★

Mr. Frank Evans and Mr. Brian Lymbery have been appointed members of the Welsh Advisory Committee of the INDEPENDENT BROADCASTING AUTHORITY.

★

Mr. Robin Oldland has been appointed to the Board of SWISS FAIR and assumes overall control as general manager of catering and the Gourmet Corner at the Swiss Centre, London. Mr. Oldland was until recently managing director of the Dorchester.

★

Mr. L. M. M. Meldon has been appointed assistant managing director and Mr. P. A. Dawson a director of STEWART WRIGHTSON (UK).

★

Mr. N. F. Matthews has become company secretary of J. SAINSBURY in place of Mr. S. W. J. Parker, who is leaving the company to take up another appointment.

★

Mr. Philip Collin, secretary and deputy managing director of the TEES AND HARTLEPOOL PORT AUTHORITY is to retire at the end of September. He will be succeeded as secretary by Mr. Michael Hyslop. Captain Thomas Hand, the Authority's Harbour Master, retires at the end of this year and will be succeeded by Captain Peter Lewis.

★

Mr. Bruce Crammond, formerly marketing director of Computer Technology, has been appointed to head the Data Processing Division of BRITISH OLIVETTI.

★

As part of its rationalisation programme for the instrumentation division, FERRANTI has appointed Mr. Peter Lewis as manager of aircraft equipment department in addition to weapons equipment department.

★

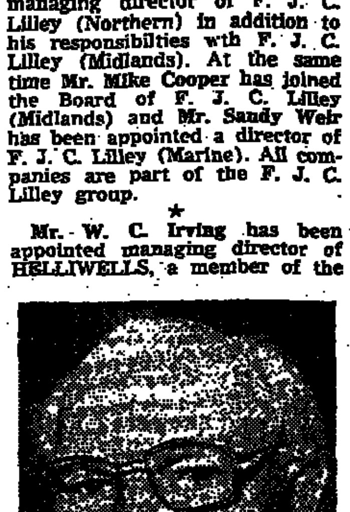
Mr. J. A. Bentham has been appointed to the Board of DOULTON GLASS INDUSTRIES.

★

Mr. Jim Barrowman has been appointed a director of LILLEY INTERNATIONAL. He will take over management of the company' Dubai office from February 1. As a result of this appointment, Mr. Barrowman has relinquished his directorship of F. J. C. Lilley (Northern). Mr. James T. Murray has been made managing director of F. J. C. Lilley (Northern) in addition to his responsibilties wth F. J. C. Lilley (Midlands). At the same time Mr. Mike Cooper has joined the Board of F. J. C. Lilley (Midlands) and Mr. Sandy Weir has been appointed a director of F. J. C. Lilley (Marine). All companies are part of the F. J. C. Lilley group.

★

Mr. W. C. Irving has been appointed managing director of HELLIWELLS, a member of the steel tube division of Tube Investments. He succeeds Mr. G. Taylor-Powell who is retiring. Mr. Irving was previously commercial director of Tube Products.



Mr. W. C. Irving

★

The ARAB BANK states that Mr. Adel A. Dajani has been appointed manager of the City office in succession to Mr. S. M. Shukri who has resigned.

★

Mr. Grant Y. Gilbert has been appointed export director of AUSTIN-HALL BUILDING SYSTEMS (HUDDERSFIELD), part of the Pentos Group. Mr. John Key joins the Board as production director and Mr. Tony Thomas becomes general sales manager (U.K.). Mr. Gilbert was previously director responsible for Austin-Hall operations in Scotland.

★

Mr. Haluk Ertugrul has been made vice-president and general manager of the London branch of ALLIED BANK INTERNATIONAL. Mr. Ertugrul continues to be responsible for the Middle East area.

★

Mr. Peter Feilding has been appointed financial director of the BPC BUSINESS FORMS GROUP. He was previously with Roneo Vickers.

★

SNOW AND CO., part of the manufacturing division of the B. Elliott Group, announce the appointment of two additional directors. Mr. Peter Walker, previously accountant and secretary, becomes financial director, and Mr. David Bromage, works manager, becomes works director.

★

The appointments of Mr. Donald Fox as chief executive of STRONGHOLD INSURANCE COMPANY and deputy general manager of NORWICH WINTERTHUR REINSURANCE CORPORATION, will terminate by mutual agreement on June 30.

★

Mr. David Parr-Head has been appointed managing director of ALLIANCE SMURFIT CASES (WARRINGTON), a subsidiary of Alliance Smurfit Cases. He was previously personal assistant to Mr. Michael Smurfit.

★

Mr. Rupert Cooper is to become managing director, UNIGATE FOODS DIVISION, from April 6. His post of managing director (Eire) will be taken over by Mr. Andrew Dare, who is to join the Board of Unigate Foods.

★

Mr. J. W. Naylor has been appointed a member of the group executive committee of BRIDON. He has been on the main Board since 1973 and is managing director of British Ropes, one of the main U.K. subsidiaries.

★

Mr. M. G. M. Haines has been reappointed a director of SHIRES INVESTMENT COMPANY and its subsidiary, Wiston Investment Company following the completion of his two-year secondment to the Department of Industry.

★

Mr. Alan Wheeler has been appointed a non-executive director of PERCY LANE GROUP. Mr. Donald Overfield and Mr. Graham Smith have become directors of Percy Lane Limited.

★

Mr. Derek Porter has become company secretary of MANCHESTER LINERS in place of Mr. Mark Pattinson, who is to devote more time to company finance and development projects.

★

Mr. Michael Yorke has been appointed works director of J. H. HAYNES AND CO.

★

Mr. Michael Aldrich has joined the Board of REDIFON COMPUTERS as marketing director.

★

Mr. Robert Lambert, at present an assistant general manager, head office, BARCLAYS BANK, has been appointed senior executive vice-president of Barclays Bank of California and will be taking up his new duties at the end of February. Mr. Lambert will also be agent for Barclays Bank International in San Francisco. Mr. R. C. Whittet has become managing director of Barclays Bank of Nigeria in succession to Mr. E. J. Comley, who has returned to the U.K. to take up a new appointment with the Barclays Group in London.

★

Miss Anne Mackie has been appointed a member of the CENTRAL ARBITRATION COMMITTEE. She is manager, employee relations (U.K.), National Personnel Department Unilever.

★

Mr. P. E. Rabone, Mr. R. M. Baldwin, Mr. J. R. Davies and Mr. D. L. Biddulph have been appointed directors of T. Williams (Drop Forging and Tools). Mr Rabone and Mr. Baldwin have become directors of William Superslim. The parent concern is EVA INDUSTRIES.

★

Mr. Arnold Trustler, Mr. Paul E. A. Ashfield and Mr. Eric Sanderson have been appointed directors of THOMAS SMITH AND SON (RODLEY), a member of the Thos. W Ward Group.

★

The IMPERIAL LIFE ASSURANCE COMPANY OF CANADA has appointed four members of its British organisation as executive officers. They are Mr. W. N Anderton, resident actuary; Mr. A. F. Hopper, executive officer special projects; Mr. R. H. A Wain, resident treasurer; and Mr C. W. Ward, resident director of agencies

This announcement is neither an offer to sell nor a solicitation of an offer to buy these securities. The offering is made only by the Prospectus.

January 14, 1977

400,000 SHARES

SURGICOT, INC.

COMMON STOCK
(Par Value $.01 Per Share)

PRICE $7.125 PER SHARE

Copies of the Prospectus may be obtained from such of the undersigned as may legally offer the securities in States in which the Prospectus may legally be distributed.

FURMAN SELZ MAGER DIETZ & BIRNEY
INCORPORATED

BEAR, STEARNS & CO. OPPENHEIMER & CO., INC. L. F. ROTHSCHILD & CO.

THOMSON MCKINNON SECURITIES INC. WARBURG PARIBAS BECKER INC.

ALLEN & COMPANY
INCORPORATED
ARNHOLD AND S. BLEICHROEDER, INC.

A. G. EDWARDS & SONS, INC. FAULKNER, DAWKINS & SULLIVAN, INC.

ROBERTSON, COLMAN, SIEBEL & WEISEL C. E. UNTERBERG, TOWBIN CO.

DAIN, KALMAN & QUAIL
INCORPORATED
FOSTER & MARSHALL INC.

HAMBRECHT & QUIST J. J. B. HILLIARD, W. L. LYONS, INC.

JOHNSON, LANE, SPACE, SMITH & CO., INC. MCDONALD & COMPANY

MOORE & SCHLEY, CAMERON & CO. RAUSCHER PIERCE SECURITIES CORPORATION

KITCAT & AITKEN PIERSON, HELDRING & PIERSON N.V.

SCHRÖDER, MÜNCHMEYER, HENGST & CO. SINGER & FRIEDLANDER LTD.

LEGAL NOTICES

No. 00111 of 1977

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of [illegible] LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the winding up of the above-named Company by the High Court of Justice was on the 13th day of January 1977, presented to the said Court by DART OIL CO. LIMITED whose registered office is situate at [illegible] Street, London [illegible] and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL on the 14th day of February 1977, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

JUDGE & PRIESTLEY,
42/48, East Street,
Bromley, Kent. Ref: JLT.
Tel: 01-460 6661.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 11th day of February 1977.

No. 00456 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of LIBRAN ELECTRICAL SUPPLIES LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the winding up of the above-named Company by the High Court of Justice was on the 30th day of December 1976, presented to the said Court by PHILIPS ELECTRICAL LIMITED whose registered office is situate at [illegible] House, [illegible], London, E.C.1, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 31st day of January 1977, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

POLLARDS,
11, Soho Square,
London W1V 5DB.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the above-named notice in writing of his intention so to do. [illegible] and must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 28th day of January 1977.

No. 00116 of 1977

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of VIXEN RECORD EXPORTS LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 13th day of January 1977, presented to the said Court by W.E.A. RECORDS LIMITED whose registered office is situate at [illegible] Oxford Street, London, W.C.1, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 14th day of February 1977 and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

POLLARDS,
11, Soho Square,
London W1V 5DB.
Solicitors for the Petitioner.

NOTE.—[illegible] four o'clock in the afternoon of the 11th day of February 1977.

No. 00109 of 1977

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of [illegible] LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 12th day of January 1977, presented to the said Court by R.C.A. LIMITED whose registered office is situate at [illegible] London W1 [illegible] and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 14th day of February 1977 [illegible]

POLLARDS,
11, Soho Square,
London W1V 5DB.
Solicitors for the Petitioner.

NOTE.—[illegible] four o'clock in the afternoon of the 11th day of February 1977.

COMPANY NOTICES

COMPAGNIE NATIONALE AIR FRANCE

[illegible]

مكتبة الاهرام

Entertainment Guide

OPERA & BALLET

THEATRES

CINEMAS

ART GALLERIES

Selection of MARITIME PAINTINGS.

THE PARKER GALLERY, 2, Albemarle Street Piccadilly, W.1. Exhibition of old marine, military and sporting and topographical prints and paintings and ships' models

HARTNOLL & EYRE, 39, Duke St., W.1. Japanese Paintings & Drawings arranged by Robert G. Sawers: 18-25 Jan. 10 a.m.-5 p.m. daily.

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EVE, 189, Regent Street. 734 0557. A la carte or All-in Menu. Three Spectacular Floor Shows 10.45, 12.45, 1.45 and music of Johnny Hawkesworth & Friends.

GARGOYLE, 59 Dean Street, London, W.1. NEW STRIPTEASE FLOORSHOW THE GREAT BRITISH STRIP Show at Midnight also 1 a.m. Hostesses. Mon.-Fri. Closed Saturdays. 01-437 6455.

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For further details write to: Classified Advertisement Manager, Financial Times, 10 Cannon Street, EC4P 4BY.

Gold Fields Group

DECEMBER QUARTERLIES

All companies mentioned are incorporated in the Republic of South Africa

DOORNFONTEIN GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 8,829,000 shares of R1 each, fully paid.

OPERATING RESULTS:	Qtr. ended 31/12/1976	Qtr. ended 30/9/1976	6 mths. ended 31/12/1976
Gold:			
Ore milled (t)	320,000	356,000	676,000
Gold produced (kg.)	2,834.8	3,128.0	5,962.8
Yield (g/t)	8.9	8.8	8.8
Revenue (R/t milled)	31.16	27.33	29.15
Cost (R/t milled)	25.44	23.13	24.23
Profit (R/t milled)	5.72	4.20	4.92
Revenue (R000's)	9,971	9,731	19,702
Cost (R000's)	8,142	8,236	16,378
Profit (R000's)	1,829	1,495	3,324
FINANCIAL RESULTS (R000's):			
Working profit: Gold	1,829	1,495	3,324
Net sundry revenue	192	293	485
Profit before taxation and State's share of profit	2,021	1,788	3,809
Taxation and State's share of profit	33	162	195
Profit after taxation and State's share of profit	1,988	1,626	3,614
Capital expenditure	1,427	1,365	2,792
Loan levy	6	22	28
Dividend	491	—	491

DIVIDEND: A dividend (No. 40) of 5 cents (3.3674dp) per share was declared on 14 December 1976, payable to members on or about 3 February 1977.

CAPITAL EXPENDITURE: The estimated capital expenditure for the current financial year is R7.1 million. The unexpended balance of authorised capital expenditure at 31 December 1976 was R9.7 million.

PRODUCTION: An acute shortage of black labour adversely affected production during the quarter. The underground black labour strength at the end of December was 81% of requirements.

DEVELOPMENT:			
Carbon Leader			
Advanced (m)	3,455	3,838	7,293
Sampling results:			
Sampled (m)	270	342	612
Stope width (cm)	105	105	105
Av. value: gold (g/t)	10.4	9.0	9.6
cm.g/t	1,092	945	1,008
Main Reef			
Advanced (m)	871	583	1,454
Sampling results:			
Sampled (m)	180	292	472
Stope width (cm)	114	115	115
Av. value: gold (g/t)	9.1	7.6	8.2
cm.g/t	1,037	874	943

NO. 1A SUB-VERTICAL ORE PASS SYSTEM: The new ore pass system has been completed and is in use.

On behalf of the board

17 January 1977 — P. W. J. van Rensburg, R. A. Plumbridge — Directors

VENTERSPOST GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 5,050,000 shares of R1 each, fully paid.

OPERATING RESULTS:	Qtr. ended 31/12/1976	Qtr. ended 30/9/1976	6 mths. ended 31/12/1976
Gold:			
Ore milled (t)	304,800	329,100	633,900
Gold produced (kg.)	1,775.8	1,646.0	3,421.8
Yield (g/t)	5.8	5.0	5.4
Revenue (R/t milled)	20.11	15.57	17.75
Cost (R/t milled)	20.51	19.93	20.21
Loss (R/t milled)	(0.40)	(4.36)	(2.46)
Revenue (R000's)	6,134	5,122	11,256
Cost (R000's)	6,256	6,555	12,791
Loss (R000's)	(122)	(1,433)	(1,555)
FINANCIAL RESULTS (R000's):			
Working Loss: Gold	(122)	(1,433)	(1,555)
Profit on sale of Pyrite	37	3	40
Net sundry revenue	161	199	360
Profit (Loss) before taxation	76	(1,231)	(1,155)
Taxation	—	—	—
Profit (Loss) after taxation	76	(1,231)	(1,155)
Capital expenditure	470	471	941
Loan levy	—	—	—

No dividend was declared during the six months ended 31 December 1976.

CAPITAL EXPENDITURE: The unexpended balance of authorised capital expenditure at 31 December 1976 was R619,900.

PRODUCTION: An acute shortage of black labour adversely affected production during the quarter. The underground black labour strength at the end of December was 71% of requirements.

APPLICATION FOR STATE ASSISTANCE: The company's application for State assistance under the Gold Mines Assistance Act is still under consideration by the authorities.

DEVELOPMENT:			
Main Reef			
Advanced (m)	1,037	1,255	2,302
Sampling results:			
Sampled (m)	112	264	376
Stope width (cm)	179	189	183
Av. value: gold (g/t)	5.1	5.6	5.5
cm.g/t	913	1,058	998
Ventersdorp Contact Reef			
Advanced (m)	418	434	852
Sampling results:			
Sampled (m)	142	196	338
Stope width (cm)	191	192	193
Av. value: gold (g/t)	10.1	8.5	9.3
cm.g/t	1,929	1,774	1,841

On behalf of the board

17 January 1977 — P. W. J. van Rensburg, R. A. Plumbridge — Directors

BEELKRAAL GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 63,600,000 ordinary shares of 20 cents each, fully paid.

FINANCIAL (R000's):	Qtr. ended 31/12/1976	Qtr. ended 30/9/1976	Total since inception of company to 31/12/1976
Capital expenditure:			
Mining lease	—	—	1,800
Shafts	3,494	3,504	27,936
Other capital expenditure	7,103	4,837	38,620
	10,597	8,341	68,356
Sundry revenue	616	165	4,131
Taxation	260	67	1,650
Loan levy	37	9	142

CAPITAL EXPENDITURE: The unexpended balance of authorised capital expenditure at 31 December 1976 was R40.4 million.

SHARE ISSUE: In an announcement published in the press on 19 November 1976 members were informed that acceptances had been received in respect of 95.8 per cent of the recent offer of 35,000,000 ordinary shares of 20 cents each, at a price of 145 cents per share, in order to raise R50,750,000. The 1,473,914 shares not applied for were taken up by the underwriter, of which 272,903 were sold for the benefit of this company. The 35,000,000 new shares were allotted on 22 November 1976.

CAPITAL WORKS:

No. 1 Shaft: The shaft was sunk 361 metres to a depth of 1,955 metres below collar. A pump and cable station was excavated at 1,327 metres below collar.

No. 2 Shaft: The shaft was sunk 329 metres to a depth of 1,706 metres below collar. The excavation and support of 3 Level Station at 1,675 metres below collar has been completed.

GENERAL: Building work has been completed on 128 houses in the township and 156 additional houses are in various stages of construction. Good progress is being made on extensions to the hostel, erection of the cap lamp room, construction of No. 1 Shaft rock winder, and all other projects.

On behalf of the board

17 January 1977 — R. A. Plumbridge, P. W. J. van Rensburg — Directors

KLOOF GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 30,249,009 ordinary shares of R1 each, fully paid.

OPERATING RESULTS:	Qtr. ended 31/12/1976	Qtr. ended 30/9/1976	6 mths. ended 31/12/1976
Gold:			
Ore milled (t)	324,000	379,000	703,000
Gold produced (kg.)	4,220.6	4,556.1	8,678.7
Yield (g/t)	12.7	12.0	12.3
Revenue (R/t milled)	42.72	38.16	40.26
Cost (R/t milled)	28.52	24.61	26.41
Profit (R/t milled)	14.20	13.55	13.85
Revenue (R000's)	13,841	14,464	28,305
Cost (R000's)	9,241	9,328	18,569
Profit (R000's)	4,600	5,136	9,736
FINANCIAL RESULTS (R000's):			
Working profit: Gold	4,600	5,136	9,736
Net sundry revenue	375	502	877
Profit before taxation and State's share of profit	4,975	5,638	10,613
Taxation and State's share of profit	487	965	1,452
Profit after taxation and State's share of profit	4,488	4,673	9,161
Capital expenditure	3,060	3,302	6,362
Loan levy	58	112	170
Dividend	4,536	—	4,536

DIVIDEND: A dividend (No. 14) of 15 cents (10.10245p) per share was declared on 14 December 1976, payable to members on or about 3 February 1977.

CAPITAL EXPENDITURE: The estimated capital expenditure for the current financial year is R13.6 million. The unexpended balance of authorised capital expenditure at 31 December 1976 was R23.1 million.

PRODUCTION: An acute shortage of black labour adversely affected production during the quarter. The underground black labour strength at the end of December was 72% of requirements.

DEVELOPMENT:			
Ventersdorp Contact Reef			
Advanced (m)	5,352	5,583	10,935
Sampling results:			
Sampled (m)	198	332	530
Stope width (cm)	142	144	143
Av. value: gold (g/t)	13.5	13.0	13.2
cm.g/t	1,917	1,872	1,888

SHAFT SINKING:

No. 2 Sub Vertical Shaft: The installation of pipe columns in the shaft is nearing completion. Work continues on the boring of rockpasses and the development of station layouts.

No. 3 Shaft: The shaft was sunk 250 metres to a total depth of 1,319 metres below collar and a relay pump chamber was excavated. The incidence of water bearing fissures decreased toward the end of the quarter which led to an increase in the rate of sinking.

On behalf of the board

17 January 1977 — R. A. Plumbridge, P. W. J. van Rensburg — Directors

VLAKFONTEIN GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 6,000,000 shares of R1 each, fully paid.

OPERATING RESULTS:	Qtr. ended 31/12/1976	Qtr. ended 30/9/1976	Year ended 31/12/1976
Gold:			
Ore milled (t)	182,500	175,100	700,000
Gold produced (kg.)	914.2	822.5	3,341.6
Yield (g/t)	5.0	4.7	4.8
Revenue (R/t milled)	18.26	14.61	16.74
Cost (R/t milled)	14.16	16.02	15.54
Profit (Loss) (R/t milled)	4.10	(1.41)	1.20
Revenue (R000's)	3,333	2,558	11,717
Cost (R000's)	2,584	2,805	10,874
Profit (Loss) (R000's)	749	(247)	843
FINANCIAL RESULTS (R000's):			
Working Profit (Loss): Gold	749	(247)	843
Net sundry revenue	89	101	374
Profit (Loss) before taxation and State's share of profit	838	(146)	1,217
Taxation and State's share of profit	71	6	195
Profit (Loss) after taxation and State's share of profit	767	(152)	1,022
Capital expenditure	(2)	5	29
Loan levy	18	1	27
Dividend	300	—	720

DIVIDEND: A dividend (No. 57) of 5 cents (3.36748p) per share was declared on 14 December 1976, payable to members on or about 3 February 1977.

CAPITAL EXPENDITURE. There were no capital expenditure commitments at 31 December 1976.

CESSATION OF MINING OPERATIONS: It is expected that underground mining operations will cease towards the end of the quarter ending 31 March 1977, by which time the remaining ore will have been depleted and water from adjoining properties will have entered the mine. The milling of low grade fines from the surface dump will, however, continue thereafter for as long as this operation remains economically viable.

DEVELOPMENT:			
Main Reef			
Advanced (m)	19	292	597
Sampling results:			
Sampled (m)	28	190	540
Stope width (cm)	108	106	108
Av. value: gold (g/t)	3.6	3.2	2.9
cm.g/t	389	345	313

ORE RESERVE AT 31 DECEMBER 1976: The ore reserve based on a pay limit determined at a gold price of R3,500 per kilogram is as follows:—

Tons	STOPE Width (cm)	STOPE Value (grams ton)	STOPE Centimetre-grams per ton
146,000	107	14.3	1,559

On behalf of the board

17 January 1977 — P. W. J. van Rensburg, R. A. Plumbridge — Directors

EAST DRIEFONTEIN GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 54,310,000 ordinary shares of R1 each, fully paid.

OPERATING RESULTS:	Qtr. ended 31/12/1976	Qtr. ended 30/9/1976	Year ended 31/12/1976
Gold:			
Ore milled (t)	440,000	477,000	1,771,000
Gold produced (kg.)	9,612.6	9,117.9	36,053.0
Yield (g/t)	21.8	19.1	20.4
Revenue (R/t milled)	71.59	61.45	67.63
Cost (R/t milled)	23.65	20.07	21.21
Profit (R/t milled)	47.94	40.78	46.42
Revenue (R000's)	31,531	29,356	119,771
Cost (R000's)	10,435	9,579	37,557
Profit (R000's)	21,096	19,777	82,214
FINANCIAL RESULTS (R000's):			
Working profit: Gold	21,096	19,777	82,214
Net sundry revenue	1,525	1,184	5,047
Profit before taxation and State's share of profit	22,621	20,961	87,261
Taxation and State's share of profit	9,947	7,683	28,219
Profit after taxation and State's share of profit	12,680	13,278	59,042
Capital expenditure	4,653	6,799	21,475
Loan levy	1,090	563	3,062
Dividend	21,834	—	40,683

DIVIDEND: A dividend (No. 7) of 40 cents (26.9395p) per share was declared on 14 December 1976, payable to members on or about 3 February 1977.

CAPITAL EXPENDITURE: The unexpended balance of authorised capital expenditure at 31 December 1976 was R26.0 million.

PRODUCTION: An acute shortage of black labour adversely affected production during the quarter. The underground black labour strength at the end of December was 75% of requirements.

DEVELOPMENT:			
Main Reef			
Advanced (m)	228	209	1,167
Sampling results:			
Sampled (m)	86	154	666
Stope width (cm)	133	162	155
Av. value: gold (g/t)	8.2	6.6	5.4
cm.g/t	1,531	1,102	837
Ventersdorp Contact Reef			
Advanced (m)	4,517	5,645	22,425
Sampling results:			
Sampled (m)	1,290	2,078	5,934
Stope width (cm)	167	167	163
Av. value: gold (g/t)	19.0	15.3	17.0
cm.g/t	3,173	2,555	2,771
Carbon Leader			
Advanced (m)	834	659	2,137
Sampling results:			
Sampled (m)	42	Nil	42
Stope width (cm)	113		113
Av. value: gold (g/t)	11.4		11.4
cm.g/t	1,288		1,288

In addition, 548 metres were advanced in the area held under prospecting permit. 210 metres were sampled on the Ventersdorp Contact Reef horizon averaging 9.9 grams per ton over an estimated stope width of 222 centimetres, equivalent to 2,198 cm.g/t.

CAPITAL WORKS:

No. 1 Sub-Vertical Shaft: The boring of all ventilation and rockpasses has been completed and development commenced from this shaft on 20 October 1976.

No. 3 Shaft (Elliptical Extension): The shaft was slyped 22 metres to a final depth of 338 metres below collar. The support of 24 Level station has been completed and the shaft has been equipped to 210 metres below collar.

ORE RESERVES AT 31 DECEMBER 1976: The ore reserves based on a pay limit determined at a gold price of R3,500 per kilogram are as follows:—

Classification	Tons	STOPE Width (cm)	STOPE Value (grams/ton)	STOPE Centimetre-grams per ton
Ventersdorp Contact Reef	3,702,000	150	33.9	5,085
Main Reef	72,000	151	9.2	1,389
Combined Reefs	3,774,000	150	33.4	5,010

On behalf of the board

17 January 1977 — R. A. Plumbridge, P. W. J. van Rensburg — Directors

WEST DRIEFONTEIN GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 14,052,150 shares of R1 each, fully paid.

OPERATING RESULTS:	Qtr. ended 31/12/1976	Qtr. ended 30/9/1976	6 mths. ended 31/12/1976
Gold:			
Ore milled (t)	545,000	617,000	1,162,000
Gold produced (kg.)	13,378.0	14,760.0	28,138.0
Yield (g/t)	24.5	23.9	24.2
Revenue (R/t milled)	81.90	74.57	78.01
Cost (R/t milled)	24.45	21.91	23.10
Profit (R/t milled)	57.45	52.66	54.91
Revenue (R000's)	44,637	46,011	90,648
Cost (R000's)	13,327	13,517	26,844
Profit (R000's)	31,310	32,494	63,804
Uranium Oxide:			
Pulp treated (t)	290,744	282,700	573,444
Oxide produced (kg.)	71,542	64,380	135,922
Yield (kg/t)	0.246	0.228	0.237
FINANCIAL RESULTS (R000's):			
Working Profit: Gold	31,310	32,494	63,804
Profit (Loss) on sale of Uranium Oxide and Sulphuric Acid	1,176	(366)	810
Net sundry revenue	1,523	2,483	4,006
Profit before taxation and State's share of profit	34,009	34,611	68,620
Taxation and State's share of profit	17,989	19,719	37,708
Profit after taxation and State's share of profit	16,020	14,892	30,912
Capital expenditure	5,012	3,662	8,674
Loan levy	1,823	2,004	3,827
Dividend	19,011	—	19,011

DIVIDEND: A dividend (No. 46) of 135 cents (90.92207p) per share was declared on 14 December 1976, payable to members on or about 3 February 1977.

CAPITAL EXPENDITURE: The estimated capital expenditure for the current financial year is R19.7 million. The unexpended balance of authorised capital expenditure at 31 December 1976 was R23.1 million.

PRODUCTION: An acute shortage and large turnover of black labour adversely affected production during the quarter. The underground black labour strength at the end of December was 72% of requirements.

DEVELOPMENT:			
Carbon Leader			
Advanced (m)	2,963	3,123	6,086
Sampling results:			
Sampled (m)	342	378	720
Stope width (cm)	106	105	106
Av. value: gold (g/t)	24.7	35.6	30.5
cm.g/t	2,618	3,738	3,233
Ventersdorp Contact Reef			
Advanced (m)	1,376	1,386	2,762
Sampling results:			
Sampled (m)	194	456	650
Stope width (cm)	156	175	179
Av. value: gold (g/t)	9.8	7.9	7.9
cm.g/t	1,625	1,350	1,414
Main Reef			
Advanced (m)	587	406	993
Sampling results:			
Sampled (m)	356	228	584
Stope width (cm)	255	347	295
Av. value: gold (g/t)	3.6	4.2	3.9
cm.g/t	922	1,459	1,151

SHAFT SINKING:

No. 6 Shaft: The shaft was sunk 200 metres to a total depth of 1,278 metres below collar. The excavation and support of 10 Level and 12 Level stations have been completed.

No. 6 Sub-Vertical Shaft: The shaft was sunk 35 metres to a total depth of 770 metres below collar. The excavation and support of the initial portion of the Transfer Level and main loading arrangements have been completed.

On behalf of the board

17 January 1977 — A. Louw, R. A. Plumbridge — Directors

LIBANON GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 7,937,300 shares of R1 each, fully paid.

OPERATING RESULTS:	Qtr. ended 31/12/1976	Qtr. ended 30/9/1976	6 mths. ended 31/12/1976
Gold:			
Ore milled (t)	324,000	345,000	669,000
Gold produced (kg.)	2,313.6	2,554.8	4,868.4
Yield (g/t)	7.1	7.4	7.3
Revenue (R/t milled)	25.26	23.47	24.32
Cost (R/t milled)	20.91	20.05	20.45
Profit (R/t milled)	4.35	3.42	3.87
Revenue (R000's)	8,125	8,084	16,209
Cost (R000's)	6,776	6,903	13,679
Profit (R000's)	1,439	1,181	2,590
FINANCIAL RESULTS (R000's):			
Working profit: Gold	1,409	1,181	2,590
Recovery under loss of profits insurance	1,023	—	1,023
Net sundry revenue	193	276	469
Profit before taxation and State's share of profit	2,625	1,457	4,082
Taxation and State's share of profit	47	—	47
Profit after taxation and State's share of profit	2,578	1,457	4,035
Capital expenditure	2,129	1,782	3,911
Loan levy	7	—	7
Dividend	397	—	397

DIVIDEND: A dividend (No 52) of 5 cents (3.36748p) per share was declared on 14 December 1976, payable to members on or about 3 February 1977.

CAPITAL EXPENDITURE: The estimated capital expenditure for the current financial year is R6.7 million. The unexpended balance of authorised capital expenditure at 31 December 1976 was R11.8 million.

PRODUCTION: Tonnage milled and recovery grade continued to be adversely affected during the quarter as a result of the underground fire which broke out in the high grade Ventersdorp Contact Reef area at the Hartebeestfontein Shaft on 2 September. The fire has been extinguished and stoping in the area has been resumed.

An acute shortage of black labour also adversely affected production during the quarter. The underground black labour strength at the end of December was 77% of requirements.

DEVELOPMENT:			
Main Reef			
Advanced (m)	1,643	2,320	3,963
Sampling results:			
Sampled (m)	536	816	1,352
Stope width (cm)	125	130	128
Av. value: gold (g/t)	6.4	5.0	5.5
cm.g/t	800	650	704
Ventersdorp Contact Reef			
Advanced (m)	869	721	1,590
Sampling results:			
Sampled (m)	68	48	116
Stope width (cm)	145	176	154
Av. value: gold (g/t)	26.9	65.2	41.0
cm.g/t	3,874	11,475	6,314

SHAFT SINKING:

No. 2 Sub-Vertical Shaft: The shaft was sunk 94 metres to a depth of 201 metres below 21 Level. Excavation of the headgear portion of the shaft is progressing and the Blair winder is being installed on 17 Level.

On behalf of the board

17 January 1977 — R. A. Plumbridge, P. W. J. van Rensburg — Directors

NOTE: Copies may be obtained from the Joint London Secretaries, 49 Moorgate, London, EC2R 6BQ

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Fall in Pirelli stock may deter shareholders

BY PAUL BETTS

MILAN, Jan. 17.

A SHARP decline by 24 per cent. of Pirelli SpA shares over the last ten days could deter small Shareholders from subscribing to a five for eight rights issue of L1,000 new shares announced by the company earlier this month, Milan Bourse analysts claimed here to-day.

The shares closed to-day at L1,180 after opening at L1,193. Before the announcement earlier this month by company chairman Signor Leopoldo Pirelli of a proposed L50bn. (£38m.) capital increase for Pirelli SpA—the Italian financial holding company of the Pirelli group—the shares were quoted at L1,550. The fall follows Stock Market disappointment that the proposed capital increase is merely a routine financial operation in the traditional manner.

Before the announcement, there was widespread speculation that Pirelli was about to enter into a financial operation with an Arab country similar to the £250m. deal between Fiat and Libya. Although Mediobanca—the State credit agency—has offered Pirelli shareholders with up to 50,000 shares, 50 per cent. of the money required to exercise their option at a favourable interest rate of 1 0.5 per cent., this is likely to become an insufficient incentive in view of the sharp fall in Pirelli share quotations. Milan Bourse analysts add that any dividend Pirelli SpA may pay this year, as Sig. Pirelli hinted at a Press conference earlier this month, may not be sufficiently attractive for investors. They point out that the company has only paid one dividend in the last four years, and that was L50 in 1974. A dividend of that order this year would only represent a 5 per cent. return on the value of the new shares.

This could prove a disappointment to Sig. Pirelli who has openly stated his intention to turn to the small Italian investor for support. A consortium headed by Mediobanca to underwrite the issue has yet to be formed. This is expected to take place after an extraordinary general meeting of Pirelli SPA shareholders to approve the proposed capital increase next month.

Meanwhile Mediobanca is currently increasing its share capital (as resolved at its annual general meeting last October) from L32bn. (about £21m.) to L40bn. for a bonus issue of one new share for four old shares. Mediobanca is drawing the bonus issue from a special reserve fund set up after the credit agency reported a L.19½bn. net profit for 1975-76. Mediobanca is also issuing a ten-year L.80bn. convertible bond issue partially reimbursable over five annual tranches from 1983 to 1987. The subscribers will be entitled to convert bonds which have a nominal value of L.10.000 each, at a ratio of four bonds for one new share. Before the bonds are converted Mediobanca's capital will increase to L.60bn. (about £40m.).

The thoughts of chairmen now

BY MICHAEL VAN OS

AMSTERDAM, Jan. 17.

INCREASED internationalisation, a state of near-saturation in several areas of the home market and reaction against certain unpopular Government measures: all these will be conspicuously reflected in the policies this year of nine major Dutch companies, according to views expressed at what was billed as a "presidents' lunch," held here to-day.

The company chairmen, who represented a cross section of commerce and industry, voiced some pessimism about economic prospects for this year after last year's much-needed improvement in corporate profitability.

A continuation in the diversification process would also take place at several of the companies, including Bos Kalis Westminster, AMFAS, Buehrmann-Tetterode, Heidemij, VNU publishing and Vroom en Dreesmann.

Mr. Hans Kraayeveld Van Hemert, chairman of Bos Kalis Westminster, the dredging and construction company, said that the larger companies in the industry would increase turnover abroad this year, particularly in areas such as the Middle East. On the other hand, this year would see the start of a major reduction in the national dredging fleet. In their efforts to obtain more work abroad, Dutch builders would be hindered by less Government aid being granted than in several other countries.

The chairman of Buehrmann-Tetterode, Mr. Adriaan Overwater, said it was hoped to continue the balance between industrial and trading activities. Here, too, the emphasis would be on foreign expansion especially in Continental Europe. He revealed that the company's sales had amounted to about Fls.1.3bn. in 1976 while profits amounted to Fls.36m., or to Fls.10 per share. They represented substantial increases from the previous year's figures with the aid of new consolidations.

Mr. Overwater said that the Buehrmann-Tetterode policy would be aimed at raising sales to Fls.2bn. by no later than 1980, by which time profits should be doubled.

Mr. Jan Van Someren, chairman of AMFAS expected this year to be characterised by a further increase in turnover in the Dutch insurance industry. Also in a relatively well-insured country such as Holland, private insurance policies continued to grow even in an economic depression. Life insurance companies would benefit in particular.

Mr. Frits Sonneveld, Heidemij's chairman, noted that the competitive position of the Dutch consultancy and engineering bureaux had deteriorated considerably in foreign markets over the last few years. It was a question of pricing rather than of quality. And in the more established markets, there were some signs of saturation.

Burmeister plans Kr.95m. investment

BY HILARY BARNES

COPENHAGEN, Jan. 17.

BURMEISTER AND WAIN, the Danish shipbuilding and engineering group, plans to make investments of Kr.95m. this year, according to Mr. Jan Bunde Nielsen, chief executive. Out of this amount, Kr.25m. will be invested in the shipyard, a figure which comes in addition to an investment in three 13,000 deadweight ton vessels ordered by the yard's own shipping company.

Another Kr.54.7m. will go to the group's engineering division while Kr.16m. is set aside to establish a finance company in Luxembourg to look after the group's international financial interests.

The investment in the shipyard will mainly be used for equipment which is necessary to switch production from the yard's speciality, 60,000 ton bulk carriers, to smaller vessels. The yard has on order two 60,000-ton bulk carriers and five Hamlet multiflex carriers of 13,000 tons each. Two are for the Soviet Union and three for the yard's own company. These orders provide the yard with employment until 1978.

Since Mr. Bunde Nielsen took charge of the group he has reduced group employment by about 2,400 to 5,500. The yard's employment has been cut by about 1,200 and the other reductions have been made in the engineering divisions.

The group is expected to show a satisfactory profit on its 1976 operations and in 1977 and the investment programme is being financed out of 1976 and 1977 income.

Go-ahead possible for aniline plant

By Paul Betts

MILAN, Jan. 17.

THERE ARE signs that the eight-month-old hold-up on the construction in Sicily of the joint Montedison-ICI aniline plant could be unblocked in the next few days following reports that the local political and trade union committee—the so-called "Comitatone"—has agreed to give the go-ahead for the project.

The committee is reported to have stated over the week-end that it would agree in principle to the proposed plant on condition that the Montedison group guarantees pollution control and future investments in the neighbouring area. A formal decision by the local authorities of Melilli, near Syracuse, is expected before the end of the month.

ICI holds a 50 per cent. stake in the project following its 1975 agrement with Montedison. According to the agreement, ICI technology is to be used at the plant which has a projected capacity of 100,000 tonnes of aniline a year. Construction of the plant was scheduled to begin last summer, but following the emotional controversy of a poisonous leak at Seveso in northern Italy in July last year the Sicilian authorities decided to re-examine the Montedison-ICI joint venture.

Montedison is understood to have submitted a L55bn. (£38m.) pollution-control plan for all its existing plants in Sicily. Moreover, two independent Sicilian scientists have separately examined the Montedison-ICI project and have approved in principle the proposed new plant suggesting some minor improvements which have been accepted by both Montedison and ICI, according to a Montedison spokesman.

Baer assets pass Sw.Frs.1bn.

THE consolidated balance sum of Bank Julius Baer, of Zurich, including wholly-owned banks in London, New York and the Cayman Islands, exceeded the Sw.Fr.1bn. mark for the first time last year, writes John Wicks in Zurich. The parent bank, Bank Julius Baer and Co. Ltd., reported an increase in its balance-sheet total

Krupp short-time

FRIEDRICK KRUPP will introduce short-time working at its Harburg engineering and steel construction works for three months from February 1 because of poor order levels, a company spokesman said.

He said that 360 of the total Harburg work force of 640 will be affected.

The Krupp Group employs more than 70,000 workers in Germany, but the spokesman could not say how many are currently working short-time.

AMERICAN NEWS

Earnings improvement for Xerox

XEROX Corporation has announced net earnings for 1976 net from continuing operations of $4.51 a share ($4.29). The total net figure is $348.9m. ($341.6m.).

Earnings in 1975 after the write-off for mainframe computer operations discontinued in July 1975 were $244.3m., or $3.07 a share.

Xerox said earnings for 1976 would have been 13 per cent. higher than in the prior year before accounting for the impact of 1975 and 1976 foreign currency fluctuations, which are now required by current accounting principles, as well as the impact of more conservative inventory valuation techniques adopted in 1975.

Sales from continuing operations for the year were $4.404bn. ($4.05bn.). Mr. C. Peter McColough, chairman and chief executive officer, and Mr. Archie R. McCardell, president and chief operating officer, said "we expect further growth in both revenue and earnings in 1977."

"Orders for the Xerox 9200 duplicating system were encouraging throughout the last year," said Mr. McColough and Mr. McCardell. "With the fourth quarter particularly strong. Although the worldwide placing of copiers and duplicators during 1976 was less than originally planned, improvement was noted during the last half of the year."

Mr. Peter McColough said the recently introduced Xerox 3107, the smallest plain paper copier with a reduction capability in the market, is the first of a series of new products the company expects to introduce in the next two years.

International earnings in 1976 were 45 per cent. of the company's total against 46 per cent. in 1975.

In the U.S. 1976 revenue was 10 per cent. higher than in 1975. International revenue was up 7 per cent. with Rank Xerox companies reporting a 3 per cent. increase and Latin America, the Caribbean area and Canada gaining 18 per cent. The Rank Xerox revenue was severely affected by significant foreign currency changes.

Xerox Corp. fourth quarter net earnings were $1 a share.

The net figure was $79.2m. ($62.7m.). Sales revenues totalled $1.143bn. ($1.056bn.).

Agencies

Business aircraft record sales ahead

BUSINESS AIRCRAFT sales in the U.S. have begun the New Year strongly, and the main manufacturers are confident of new sales records in the months ahead.

Mr. Edward Stimpson, president of the General Aviation Manufacturers' Association, representing all the U.S. makers of light business and private aircraft, said that in 1976 the GAMA members had delivered 15,447 aircraft, worth $1.23bn., and that in the coming year these would rise to 16,300 aircraft, worth $1.38bn.

As a result, general aviation stocks are doing well on Wall Street. According to the general aviation stocks index published by Business Aviation Weekly, one dollar invested in those stocks in December, 1971, was worth $1.39 at end-1976, compared with the average of $1.05 for the Standard and Poor's list of 500 U.S. manufacturing stocks.

Beech Aircraft Corporation achieved a record $95m. (about £55m.) in sales in the first three months of its 1976-77 financial year, to end-December, and is forecasting sales for the year in excess of $400m.

Mr. Frank E. Hedrick, president, said the company entered fiscal 1977 with orders for commercial and defence/aerospace products at record levels. "Both orders and deliveries during the first quarter are indicative of the continued solidity of general aviation in both domestic and international markets," he said.

Mr. Russell W. Meyer Jr., chairman of Cessna Aircraft Company of Wichita, says his company's goal in 1977 is an increase of more than 25 per cent. in sales, and he expects an annual average increase of at least 15 per cent. to the end of thsi decade.

Piper Aircraft is also forecasting substantially improved sales in the year ahead, and has recently announced many improvements to its various models for 1977.

Profit doubled at Alcoa

ALUMINUM COMPANY of America's 1976 earnings were more than double their depressed year-earlier level and the company recovery wasn't derailed by a "slight" fall-off in shipments between the third and fourth periods, W. H. Krome George, chairman, told AP-Dow Jones.

For all of 1977, Mr. George said, reviving orders lead Alcoa to expect "a better year" for earnings, sales shipments and prices. In addition, he said capital outlays this year will jump 40 per cent. to about $350m. from last year's $250m. as Alcoa starts developing long-term coal-fired supplies for its Texas Aluminium plants.

Mr. George declined specifically to predict earnings for North America's largest aluminium maker in terms of sales. For all of 1976, he said, Wall Street estimates of $4 to $4.50 a share are "in the ball park." Nine-month earnings, as previously reported, rose to $104.2m., or $3.01 a share, surpassing full-year 1975 results of $64.8m., or $1.85 a share, on sales of $2.31bn.

Alcoa expects to report final net income that is "about the same or a little better" than the first three quarters average of $35m., Mr. George said. But he cautioned that effects of year-end accounting adjustments aren't known. A year earlier the depressed quarter's net was $6.1m., or 16 cents a share. Shipments in the period were "down slightly" from the third quarter's 441,000 tons, he said.

Asked about prospects for raising the dividend, Mr. George said "it's possible" this year. He stressed, however, that "I'm not predicting that. We like to see the earnings there first." Historically, the payout has been about 35 per cent. to 40 per cent. of earnings, he said. Alcoa currently pays 35 cents quarterly.

Options plan by SEC chairman

SECURITIES and Exchange Commission (SEC) chairman Roderick Hills has a plan for bringing options trading to the floor of the New York Stock Exchange while expanding the market-making competition among Big Board specialists, reports AP-DJ from Washington.

As outlined by Hills in a speech here, his "pilot programme" proposal would re-allocate the 30 most active stocks on the New York Stock Exchange so that there would be four or five specialists in each of those stocks, rather than only one as at present. That would satisfy the SEC's previously announced requirement that securities markets must assure trading competition before their market makers can qualify for options trading.

EUROBONDS

Shell borrows DM200m.

BY TONY HAWKINS

SHELL International Finance is borrowing DM200m. in the Euromark sector with a 12-year bond issue on a 6¾ per cent. coupon. The sole manager is Deutsche Bank and the terms look to be very favourable to the borrower who is raising capital with a ten-year average life on a coupon of less than 7 per cent.

The Province of Quebec last week raised DM150m. over ten years on a 7½ per cent. coupon, while Banque Francaise du Commerce Exterieur is raising DM100m. over an average life of eight years on a 7 per cent. coupon.

Late last year, ICI International Finance borrowed over ten years in this market with a 7½ per cent. coupon.

In the dollar sector, Occidental Petroleum is to borrow $30m. with an issue of ten-year bonds on an indicated 8¾ per cent. coupon. Kidder Peabody International is lead manager for the issue which has a 7½-year average life. Placing will be on January 25.

Quebec Urban Community is to raise $C15m. with a private placement of five-year notes on an indicated 9¼ per cent. coupon. The borrower has a single-A rating from both rating agencies. The placing is being managed by European Banking Company.

Sumitomo Finance announced last night that due to heavy demand the selling period had been shortened for the $15m. Kumagai Gumi issue. The coupon has been fixed at 7¾ per cent. as indicated, with an issue price of 99¾.

The secondary market continued to drift lower in quiet trading yesterday. The announced prime rate increase by the First National Bank of Chicago (up to 6¼ per cent. from 6 per cent.) helped put a dampener on proceedings and floating rate notes were noticeably easier. There was little turnover with buyers apparently cautious and preoccupied with the new issues.

There was very little turnover indeed in the new Mobil issues which were traded yesterday for the first time after the two-tranche $200m. private placing was completed last week. After being priced at 99½, and Mobil paper was quoted at 98¾-99.

In the New York bond market the Kingdom of Norway is raising $100m. with an issue of five year notes. Final terms will be set early next month, but based on yield patterns on outstanding issues, a yield of from 7.35 per cent. to 7.55 per cent. is expected. The lead manager is Kuhn Loeb and Co.

BONDTRADE INDEX

	Monday	Friday
Medium	102.82	102.9[illegible]
Long	94.94	94.[illegible]
Convertible	109.93	109.8[illegible]

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Alcan 9½pc 1988	104¼	105¼
Australia 8½pc 1991	101	101¾
Bowater 9½pc 1986	102¾	103¼
Canadian N. Rwy. 8¾pc '86	101¼	102
Credit National 8¾pc 1986	98¾	99¼
Denmark 8¾pc 1984	100	100¾
ECS 9¾pc 1986	103½	104
EIB 8¾pc 1986	100¾	101¼
Erap 9¾pc 1985	103	103¾
Esso 8pc 1986 Nov.	104½	105¼
Eurofima 8¾pc 1983	103½	104
Granges 9¾pc 1985	103	103¾
Hamersley 9½pc 1993	100¾	101½
ICI 8¾pc 1987	98	98¾
SE Canada 9¾pc 1986	103¾	104½
Massey Ferguson 9¾pc 1991	104	104¾
Michelin 9¾pc 1983	102	102¾
Midland Int. Fin. 8¾pc '86	99¼	100
Mobil Int. Fin. Cpn. 8½pc 1984	98½	99
Modo 9pc 1986	99	99¾
Nat. Westminster 9pc 1986	101½	102
Newfoundland 9¾pc 1988	101¼	102
Norpipe 9¾pc 1986	103½	104
Norsk Hydro 9pc 1991	102¾	103¼
Oslo 9pc 1988	103	103¾
Ports Autonomes 9pc 1991	99¾	100¼
Prov. Quebec 9pc 1984	102	102¾
Quebec Hydro 8¾pc 1986	99½	100¼
Prov. Saskatch. 8¾pc 1986	102½	103½
Skandinaviska Enskilda 9pc 1991	101¼	102
SKF 8pc 1987	100	100¾
Volvo 9¾pc 1985	103	103¾
Mitsubishi Elec. 7¾pc 1981	105½	107
Mitsui 7¾pc 1990	106½	108
J. P. Morgan 4¾pc 1987	108	110
Nabisco 8¾pc 1988	102	104
Owens Illinois 4¾pc 1987	112½	114½
J. C. Penney 4¾pc 1987	82	84
Pioneer 6¾pc 1989	279	—
Raymond 8¾pc 1989	118	119½
Revlon 4¾pc 1987	109	111
Reynolds Metals 5pc 1988	93	95
Sperry Rand 4¾pc 1987	94	96
Squibb 4¾pc 1987	83	85
Texaco 4¾pc 1988	83½	85½
Toshiba 6¾pc 1990	107½	109
Union Carbide 4¾pc 1982	105	107
Warner Lambert 4¾pc 1987	88	90
Warner Lambert 4¾pc 1988	79½	81½
Xerox 5pc 1988	81	83

Source: Kidder, Peabody Securities.

NOTES	Bid	Offer
Australia 8¾pc 1985	102¾	103¼
Australia 8¾pc 1986	101¾	102¼
Dow Chemical 8pc 1986	103½	104
EEC 8¾pc 1982	101¼	102
Gotaverken 8pc 1982	101¼	102
Kockums 8pc 1983	99½	100¼
Michelin 8¾pc 1983	102½	103
Mobil Int. Fin. Corpn. 8pc 1982	98½	99
Montreal Urban 8¾pc 1981	100¼	101¼
Nat. Coal Board 8¾pc 1981	100¾	101½
New Brunswick Prov. 8¾pc 1983	103½	104
New Zealand 8¾pc 1986	100¾	101½
Nippon Fudosan 8pc 1981	101½	102
S. of Scot. Elec. 8¾pc 1981	99½	100½
FLOATING RATE NOTES		
BNP 7pc min. 1983	101¼	101¾
Lloyds 7¾pc min. 1983	101	101½
LTCB of Japan 6¾pc min. 1981	99¾	100¼
Midland 7¾pc min. 1983	101¾	102¼
D. MARK BONDS		
Austria 7pc 1987	99¾	100
Beecham 8pc 1983	102½	103½
Copenhagen City 7¾pc 1986	98	99
EIB 6¾pc 1984	99	99¾
ICI 7¾pc 1986	99½	100¼
Inter American Dev. Bank 7pc 1987	97½	98½
New Zealand 7¾pc 1986	104	104¾
World Bank 7pc 1987	98	98¾

Source: White Weld Securities, London.

CONVERTIBLES	Bid	Offer
American Express 4¾pc '87	85	87
Ashland 5pc 1988	95	97
Beatrice Foods 4¼pc 1992	100½	102½
Beatrice Foods 4¾pc 1993	118	120
Borden 5pc 1992	108½	110½
Broadway Hale 4¾pc 1987	81½	83½
Canon Camera 7¾pc 1990	197	—
Carnation 4pc 1987	88½	90½
Chevron 5pc 1988	127½	129½
Dart 4¾pc 1987	86½	88½
Eastman Kodak 4½pc 1988	103½	105½
Economic Labs. 4¾pc 1987	78	80
Fed. Dept. Stores 4¾pc '85	112	114
Firestone 5pc 1988	89	91
Ford 6pc 1986	100½	102½
Ford 5pc 1988	93½	95½
General Electric 4¾pc 1987	88½	90½
Gillette 4¾pc 1987	78½	80½
Gould 5pc 1987	114	116
Gulf and Western 5pc 1988	95	97
Harris 5pc 1992	192	194
Honeywell 6pc 1986	88	90
ITT 4½pc 1987	82½	84½
Komatsu 7½pc 1990	103½	105
J. Ray McDermott 4¾pc '87	122	124

Kepa integration

KARSTADT plans to integrate the chain of 64 stores owned by its subsidiary Kepa Kaufhaus more closely into the Karstadt store network to adapt Kepa to increased competition in the retail market.

Kepa, which runs mainly smaller stores than Karstadt, had a turnover of DM1.1bn. in 1976, out of the Karstadt group's total sales of DM7.9bn. a Karstadt spokesman said.

Over the restructuring period, which will take several years, some Kepa stores will be closed down though final details are yet to be worked out. No redundancies are planned

This announcement appears as a matter of record only.

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Banque Nationale de Paris has completed a new offering of Floating Rate Notes on the international financial market with the technical advice of Credit Suisse White Weld. This operation has met with considerable success which has made it possible to close the subscription period ahead of time and to raise the amount of the issue from US$ 40 million to US$ 70 million. These Notes bear a 6 year maturity and their interest rate will be computed every 6 months by applying a margin of ¼ per cent to the London Interbank Rate but in no case can it be lower than 5½ per cent. This Eurobond issue in dollars will enable Banque Nationale de Paris to increase the amount of foreign currency loans granted to its domestic and international clientele.

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January 17, 1977

ANZ has 1-for-11 rights issue to raise $A32.5m.

BY JAMES FORTH

SYDNEY, Jan. 17.

ANZ Group Holdings, the holding company for the ANZ Banking Group, celebrated its first annual meeting in Australia, with a $A32.5m. rights issue to shareholders. Formerly known as the Australia and New Zealand Banking Group, the ANZ transferred its domicile from the U.K. to Australia in mid-1976, after a capital reconstruction. At that time a one-for-eleven rights issue was made with the $11.2m. raised retained in the U.K. for development of the bank's business there.

The latest issue, which was announced by the chairman, Mr. Angus Mackinnon at the meeting, will be on the basis of one new share for every five held. The issue price is $A2.75 a share, and compares with to-day's closing price of $A3.30.

Mr. Mackinnon said the directors presently expected to pay dividends at an annual rate of at least 18 cents a share on the increased capital.

He said considerable difficulty existed in forecasting with accuracy likely trends in monetary aggregates and interest rates but the board viewed the group's future with confidence, and expected that profitability would remain at a satisfactory level in 1976-77.

Mr. Mackinnon describes the first meeting in Australia as a landmark and said the transfer would be very much in the long-term interests of the bank and its staff.

He said that the proportion of the bank's shares on the Australian registers had risen from only 3 per cent. at last August to about 35 per cent. While a proportion of the latest total was still undoubtedly beneficially owned by U.K. residents the flow of shares to Australian ownership had been most encouraging and far beyond the board's original expectations.

Mr. Mackinnon said the devaluation of the Australian dollar would improve the short term balance of payments outlook and enhance the immediate prospects for most export and import competing industries. But there was a danger the inevitable impetus to inflation could mean this method of stimulating the economy was self-defeating. Unless there was a lift in aggregate demand and capacity use, most industries would be poorly placed to absorb higher costs.

The chairman said the attack on inflation must be pursued vigorously and relentlessly if prosperity was to be restored. He also said that recent changes in the pattern of London business were likely to be permanent. The ANZ expected that third country trade transactions, financed by the London city office in sterling until last December 17, would be replaced by external currency financing.

Shares from the new issue will receive half the interim dividend for the March half year, usually paid in July. Books to the issue close on February 10 and the subscription is payable in full by March 15.

Matsushita net profit up 26%

OSAKA, Jan. 17.

MATSUSHITA Electric Industrial said non-consolidated after-tax profits rose 26 per cent. to Y41.32bn. for the year ended last November 20 from Y32.80bn. the previous year. Sales were up 23 per cent. to Y1,311bn. from Y1,066bn.

The company set an unchanged dividend of Y10 per share.

Matsushita said both the after-tax profit and sales figures are company records. It said it hopes to achieve sales of Y1,450bn. in the current year ending next November 20, with profits before tax and special items totalling at least 6 per cent. of sales.

Profits before tax and special items last year totalled 6.4 per cent. of sales, almost doubling from the year before to Y84.2bn. from Y43.9bn., the company said. It made no forecast for after-tax profits this year.

The company said exports totalled Yen381bn.

Efforts in such areas as product development and product engineering offset the effects of the sluggish consumer demand in Japan, and sales rose of almost all product lines, especially audio products like stereos tape recorders, and home appliances. Reuter

● KUBOTA, reports on net consolidated income of $38.1m. ($33.6mn.) for the first half year ended October 15. Sales totalled ($33.6m.) for the first-half-year $829m. ($725.9m.). Net income per share $0.64 ($0.57).

The Japanese agricultural machinery and cast iron piping maker reported gains of 13 per cent. in net consolidated income and 11 per cent. in sales for the first six months to October 15 last year over the year-ago levels, due to increased sales of agricultural machinery and cast iron pipes.

With effortst o boost sales in the overseas markets, exports, centring on tractors, rose 93 per cent to $51m. from the year-ago level, bringing the export ratio of total sales to 6.3 per cent. from the year-ago 3.6 per cent., it said. Reuter

Solel gains overseas

BY L. DANIEL

TEL AVIV, Jan. 17.

SOLEL BONEH, the construction company owned by the Israel Labour Federation, expects its 1976 balance sheet to show a doubling of pre-tax profits from its operations overseas to £11.3m. compared with 1975.

The company carried out work worth $190m. outside Israel last year and expects the figure to reach $240m. in 1977.

The value of contrarts currently on hand for projects in nine African and South American countries amounts to $620m. Most of the work in South America is in Venezuela and Ecuador.

Solel Boneh works overseas through affiliates or in partnership with local firms, with Israeli company responsible for the professional and commercial management in each case. Among the projects currently under way are a $25m. hospital, a central bus station, and a commercial centre in Quito, Ecuador.

No dividend payment at Faber Merlin

KUALA LUMPUR, Jan. 17.

FABER MERLIN Malaysia has announced a group net profit after extraordinary items of Ringgit 0.71m. (Ringgit 5.81m.) for the year ended June 30, 1976. The dividend declared is nil (6 per cent.).

The company said reduced tourist activity, tin restriction over the major part of the period in the mining division and a slowdown owing to economic factors and shortages of certain building materials in the property development field all resulted in a lower than anticipated profit.

Faber added it had decided to omit dividend payment because of the need to conserve resources to reduce existing borrowings and provide further working capital for the continued development of the Taman Desa project.

However, as soon as the company's financial position warrants dividend payments will be resumed.

The local economy has shown signs of a steady recovery, and with the full implementation of the third Malaysian plan, the company's business activities will benefit from the proposed programmes.

The company added that its shares, suspended on both the Kuala Lumpur and Singapore stock exchanges last year, should be relisted in the near future.

Both Faber Merlin and its associate Pahang Consolidated were suspended last February following press reports of an agency arrangement under which Pahang purchased 50 shares of Faber Merlin on behalf of a private company in which some Faber and Pahang directors allegedly had a personal interest. Reuter.

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REFRIGERATOR INVESTMENT IN IRAN

Eyebrows raised at Bosch deal

BY ROBERT GRAHAM IN TEHRAN

OBSCURED by the headlines of Libya buying into Fiat was an equally surprising piece of news about another foreign investment in Italy. A little-known Iranian company, Ritaco, bought into the domestic appliance industry by purchasing Philco Italiana from its German owners, Robert Bosch.

This is the first time that private Iranian interests have bought a Western industrial concern. Both in Italy and Iran, the move raised some eyebrows, not least among Tehran's rather conservative business community.

The purchase—90 per cent. from Robert Bosch and 10 per cent. from its affiliates—was arranged in under six weeks by Mr. Mohammad Koochkzadeh, Ritaco's managing director, who with his family is the owner of this and its parent, the Hadiran industrial group.

Speedy deal

It was not only the speed with which the deal was concluded which has caused comment. Philco Italiana has had an unhappy record: accumulated losses of some 60bn. lire ($680,000) over the past five years—and it was about to be put into liquidation. The Italian domestic appliance industry has proved one of the most risky in the past five years and a foreign investor could scarce have picked a more difficult area.

Mr. Koochekzadeh, an engineering graduate from Kansas State University, is fully conscious of the problems involved. On the other hand he claims to know Philco Italiano "inside out." He has known the company since 1965, and it is this long-standing association which lies at the heart of the deal.

In 1965 Mr. Koochekzadeh and a group of associates formed Philver to produce refrigerators in Iran based upon a combination of technical licensing agreement and technical assistance agreement with Philco Ford (the original owner of Philco Italiana) and Philco Italiana.

From an initial 3,000 units a year Philver has now blossomed into one of Iran's more successful industrial enterprises producing some 150,000 units a year and employing 700 persons. Mr. Koochekzadeh's plans, interest in Philver in 1972 and went to business school—studying at the Iranian offshoot of the Harvard Business School in Tehran, ICNS. On leaving business school, he decided to return to the field he knew best—domestic appliances.

Having formed Ritaco, his aim was to capitalise on the tremendous upsurge in demand and the Government's relaxation of its prohibition on the import of refrigerators. He wanted to import and to manufacture locally. Ritaco acquired a licence to manufacture refrigerators.

Then Robert Bosch, hearing of Mr. Koochekzadeh's plans offered to sell Philco Italiana last November. Philco Italiana, based in Bergamo, and with a production of 250,000 washing machines, 150,000 refrigerators and 50,000 colour television sets, had been acquired by Robert Bosch in 1972.

"The Germans made a great effort to make the company profitable but it didn't work. They failed mainly for two reasons," according to Mr. Koochekzadeh. "The new investments they made unfortunately began to bear fruit, or should have borne fruit, just at the time of the recession in Europe in 1974, and the domestic appliance industry was the worst affected. Secondly, in their relations with the management and labour they tried to do things the German way, and this created a lot of tensions and problems."

Mr. Koochekzadeh believes he can succeed—or at least has the chance of succeeding—where German management has failed for several reasons. The most important of these is the Iranian market. The domestic appliance industry in Iran, especially refrigerators, stoves and washing machines, can satisfy little more than half domestic demand. Current production of refrigerators is running at around 500,000 units (12 years ago it was 27,000). By the end of next year demand could be almost 1m. units, according to market studies.

The reasons for the demand are obvious enough—increase in per capita income, the spread of electrification throughout the country and the switch towards a more urbanised society. Demand is such that in the summer there is even a black market for refrigerators.

Thus Mr. Koochekzadeh hopes to be able to underwrite Philco Italian's production with Iranian demand. As it is the company's business is 52 per cent. export orientated with Iran second to the U.K. (marketed under Bendix) as a sales source.

Equally important, Mr. Koochezadeh has come to terms with the question of personnel relations in Italy—something which frightens off most potential investors there. For instance, an element in EMI's sale of Voxson in 1975 was the problem of labour relations.

As a first step to restore harmony in the workforce, he has recruited Philco Italiana's former technical director who left after a disagreement with the German management, to become managing director.

At the same time discussions have been held both with the Government and the trades unions over future employment. In return for saving the company from liquidation, Mr. Koochekzadeh insisted on a reduction of the 2,100-strong workforce. This will be done by laying off 430 workers over the next 18 months and a parallel agreement to re-employ 180 during the same period.

The company will also be financially restructured. The Italian Government has agreed to extend a three-year loan of L8bn. This will be a counterpart to L7bn. which Ritaco has agreed to pump in to revitalise the company. The sale itself was for a "nominal" price, according to Mr. Koochekzadeh.

Bosch has agreed to write off all the losses and the final price will depend upon a valuation of stock and plant which will be complete by the end of the month, when Ritaco formally takes over control.

Mr. Koochekzadeh plans to raise the L7bn. in Iran—hopefully through one of the specialised banks on soft terms. He will obtain a rial loan and then convert to lire. This is unprecedented in Iranian business, but he feels the Government should not discourage such action.

Closer collaboration

The deal has moved so fast that Mr. Koochekzadeh now has to work out his relationship with Philver his old company which still holds the technical licence of the company he has acquired. It is recognised that both would benefit from coming together. The advantage for Philver of such an association would be closer collaboration which may not be necessary now; but in five years time when the Iranian market will have reached saturation and the domestic appliance producers will have excess capacity.

Setback in French oil industry

By Robert Mauthner

PARIS, Jan. 17.

THE FINANCIAL situation of the French oil refining and distribution industry deteriorated sharply in 1976 for the third year running, according to M. Andre Demargne, President of the French Oil Industry Association.

The main reasons were that the price of imported crude was too high in relation to the domestic prices authorised by the Government and that the higher costs borne by the industry were not compensated by a large enough increase in consumption.

M. Demargne stressed that any rise in the price of imported crude and any variation in exchange rates which was not immediately passed on to selling prices, could have only one result: an increase in the indebtedness of oil companies.

Since January of this year, for instance, the increase in the price of imported crude had swollen the indebtedness of the industry by Frs.10m. (about £1.2m.) per day, he claimed. And, in spite of the fact that the price of crude imported into France expressed in dollars had remained steady since October 1975, the sharp depreciation of the franc against the American currency last year had had the effect of increasing the cost in francs of imported oil by 12 per cent.

It is therefore imperative for the Government to allow domestic prices to rise in 1977 to compensate for the higher costs borne by the oil refining and distribution companies.

M. Demargne also expressed the opinion that it would be very difficult for the ceiling of Frs.55bn. for oil imports in 1977, set by the Government, to be respected without some kind of rationing. Serious constraints already existed on the heavy and domestic fuel markets, he said.

France imported 121m. tonnes of crude in 1976, an increase of 14 per cent. over 1975, when imports totalled 106m. tonnes. This compared with the record figure of 135m. tonnes in 1973.

Imports from the Middle East rose by 16 per cent. in the first few months of last year and now represent 80 per cent. of France's total oil purchases from abroad, of which 36 per cent. is supplied by Saudi Arabia alone.

Production controlled by French oil companies now totals 79m. tonnes, of which 48.5m. tonnes were produced in the Middle East (Irak, Abu Dhabi, Iran, Qatar, Dubai and Oman).

Stocking capacity rose by 500,000 cub. metres last year to attain 67m. cub. metres.

In spite of last year's recovery of the oil market, refineries in France operated at only some 70 per cent. of full capacity. They processed some 120m. tonnes of crude last year, compared with 109m. tonnes in 1975.

Kuwait Shipping absorbed

NICOSIA, Jan. 17.

THE ASSETS of the Kuwait Shipping Company are being transferred to the newly established United Arab Maritime (UAMC), the Middle East Economic Surevy (MEES) reported on Saturday, said AP-DJ.

MEES said the transfer is being made under the terms of an agreement reached last month at UAMC's assembly meeting in Kuwait — the assemblies comprise the Finance and Transport Ministers of member States which are Kuwait, the United Arab Emirates, Bahrain, Saudi Arabia, Iraq and Quatar.

Kuwait Shipping will form the nucleus of UAMC. The other member states have the option to merge their national shipping company into UAMC and were allowed to retain a national fleet not exceeding 120,000 tons each, MEES said.

All of these Securities have been sold. This announcement appears as a matter of record only.

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January 17, 1977.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Early 6.8 fall on interest rates rise

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Jan. 17.

PRICES TURNED downwards in reduced trading on Wall Street to-day, partly attributed to worry about recent increases in short-term interest rates.

The Dow Jones Industrial Average came back 6.82 to 965.34 by 1 p.m. and the NYSE All Common Index dipped 23 cents to

Closing prices and market reports were not available for this edition.

$56.15, while the trading volume sharply decreased 3.21m. shares to 11.3m. compared with 1 p.m. last Friday.

First National Bank of Chicago and Morgan Guaranty Trust this morning each raised their prime interest rate, from which other rates are scaled upwards, to 6¼ per cent. from 6 per cent.

Some analysts believed the U.S. Presidential Inauguration on January 20 also has detracted interest from the stock market.

Viacom International fell $1 to $12¾—its Board rejected an acquisition offer of $15 a share from *Storer Broadcasting*, up $¼ to $25¾.

International Harvester also declined $1½ to $30¾, while **Deere** lost $1 to $29¾ and **Massey-Ferguson** were $¾ lower at $19¾ on prediction of weakness in agricultural machinery demand this year.

Budd gave way $1½ to $20¾, but *Bally Manufacturing rose* $1½ to $41¾ following a two-for-one stock split.

Monsanto, a volume leader, lost $1 to $84.

Simplicity Pattern shed $¾ to $13¾ on analysts' bearish earnings prospects.

Some Energy-related issues moved higher, partly reflecting the cold wave sweeping most of the nation. **North American Coal** gained $1½ to $46¾, **Superior Oil** *climbed* $8 *to* $235, *Getty Oil* added $2¾ to $200¾, and **Woods Petroleum** advanced $1 to $26. **Amerada Hess** put on $1 to $35¾.

Bell and Howell shed $¾ to $15¾—it expects to report lower 1976 operating net earnings.

THE AMERICAN SE Market Value Index was off 0.17 to 111.01, while the turnover decreased 500,000 shares to 1.69m. compared with 1 p.m. last Friday.

FRIDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Inmont	[illegible]	[illegible]	[illegible]
Sony	[illegible]	[illegible]	[illegible]
Occidental Petroleum	[illegible]	[illegible]	[illegible]
Eastern Petroleum	[illegible]	[illegible]	[illegible]
Texas International	[illegible]	[illegible]	[illegible]
Columbia Pictures	[illegible]	[illegible]	[illegible]
Amerada Hess	[illegible]	[illegible]	[illegible]
Westinghouse Elec.	[illegible]	[illegible]	[illegible]
Exxon	[illegible]	[illegible]	[illegible]
Amer. Home Prods.	[illegible]	[illegible]	[illegible]

OTHER MARKETS

Canada lower

All sectors were narrowly lower in light trading on Canadian Stock Markets yesterday morning.

Massey-Ferguson dropped $¼ *to* $19¾ but **Harlequin Enterprises** rose $¼ to $15¾ on 21,100 shares. **IWC Communications** added 5 cents at $1.60 and **Home Oil "A"** put on $¾ to $28¾, but **Shell Canada** at $14¾ and **Gulf Oil Canada** at $25 each lost $¾. **Steel** *of Canada* were $¼ lower at $24¾.

In active Oils, **Total Petroleum** *gained* $¼ *to* $7¾ *on 53,325 shares* and **Ocelot "B"** moved up $¼ to $9¾ *in* a volume of 35,000 shares, but **Decca Resources** dipped $¼ to $7¾.

PARIS—Mainly lower in light trading, reflecting some hesitancy ahead of President Valery Giscard D'Estaing's Press conference. *Also affecting sentiment* was the raising of the call money *rate to 10 per cent. from 9¾ per* cent.

Peugeot-Citroen lost *Frs.3.7* and **Credit Foncier** *Frs.4.9.*

Among shares to rise against the trend were TRT and Moulinex in Electricals.

Portfolio companies and mechanical engineerings were *narrowly mixed, while metals* generally had limited losses.

Foreign stocks generally followed the main trend although U.S. stocks were resistant.

AMSTERDAM—Generally easier on lack of interest, with *Hoogovens, up 0.6 at Fls.36.8,* the only small gain in Dutch Internationals. *KLM declined Fls.3.5* to Fls.88, but **RSV** rose Fls.3.4 to Fls.73.5 and **Bols Distilleries** added Fls.1.2. Most Banks lost ground, but **Algemeine** gained *Fls.1 to Fls.314.*

GERMANY — Shares displayed an easier bias following late profit-taking by professionals.

Against the trend, Motors provided firm spots in BMW, which *rose DM2, and Daimler, up* DM3. Lufthansa moved up DM1.5 *on market expectations of higher* profits. **Kali Und Salz**, in Chemicals, gained DM2.5 more in reflection of an increase in demand for salt used in de-icing road surfaces.

SWITZERLAND—Inclined to ease on profit-taking *in* quiet trading.

Binsoz and Ormond, a cigarette manufacturer, fell **Frs.20** to 530, *but* **Saurer Bearer** *rose Frs.30* to 830.

COPENHAGEN — Higher in moderate dealings. Banks, Communications and Commodities improved. Industrials rose.

OSLO—Industrials were slightly firmer. Insurances and Shippings quiet, while Bankings were easier.

VIENNA—*Irregular in livelier* trading. Leading Industrials were *very steady,* while Banks Preferred stocks showed minor gains.

MILAN—Easier in fairly active dealings.

Leading Industrials fluctuated narrowly. *Insurances and Banks* lost ground, but **La Centrale** *improved Lire120 to Lire 6,540 in* Financials.

JOHANNESBURG—Gold shares were easier in line with London bullion indications, while interest remained centred in Collieries and selected Financial Minings, which were *firm.*

In Collieries, **Wit. Cons.** advanced 35 cents to R1,020, **Colls.** 75 cents to R1,275 and **Apex** 50 cents to R1,725.

Coppers were firm but *Platinums lost some ground.*

Industrials were moderately active with prices tending to drift.

HONG KONG—*Prices drifted* lower in quiet trading on lack of *interest with operators awaiting* a lead from Overseas markets.

Hong Kong Land and *Jardine* **Matheson** each fell 10 cents to $HK7.60 and $HK16.60 respectively, while **Hutchison** and **Wheelock Marden** lost 2½ cents apiece to $HK3.30 and $HK2.725 ex dividend.

TOKYO—After initially advancing further, prices reacted in fairly active trading to close lower on profit-taking prompted by fears that margin trading curbs might be tightened. Volume 240m. (450m.) shares.

Toyota Motor declined Y40 *to* 1130, **Honda Motor** Y5 to 700, **Matsushita Electric** Y10 to 691 and Sony Y50 to 2500. Petroleums were also lower, but Communication Equipments and some Pharmaceuticals were selectively bought.

AUSTRALIA—Mixed in quiet trading, with the control on capital inflow and the statutory reserve deposit call-up curbing buying interest.

Selected Coppers stayed firm, with *Santos rising* 5 cents to $A1.65.

Renison gained 6 cents to $A8.20 and **CGFA** 5 cents to $A1.90.

Among Industrials, **ANZ** fell 8 cents to $A3.30 on its rights issue and **BHP** lost 10 cents to $A7.50.

Woodside Burmah shed 2 cents to $A1.26 in Oils, on a turnover of 130,000 shares.

Among Plantations, **East African Coffee** jumped 2 cents to 38 cents. **CSR** eased 3 cents to $A3.80, despite reports that it will *be a major supplier to China* which is rumoured to be in the market for 1m. tonnes.

Indices

NEW YORK—DOW JONES

	Jan. 14	Jan. 13	Jan. 12	Jan. 11	Jan. 10	Jan. 7	1976-77 High	1976-77 Low	Since compilation High	Since compilation Low
Industrials	972.15	976.15	968.25	976.55	986.87	985.15	1014.79	858.71	1051.70	41.22
Home Bonds	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Transport	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Utilities	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Trading vol. 000's	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* Basis of index changed from June 1.

	Jan. 7	Dec. 31	Dec. 24	Year ago (approx.)
Ind. div. yield %	4.16	4.08	4.15	4.37

STANDARDS AND POORS

	Jan. 14	Jan. 13	Jan. 12	Jan. 11	Jan. 10	Jan. 7	1976-77 High	1976-77 Low	Since compilation High	Since compilation Low
Industrials	115.12	115.73	114.83	115.51	116.52	116.54	[illegible]	[illegible]	134.64	3.52
Composite	104.01	104.20	104.12	105.20	105.01	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	Jan.	Jan.	Dec.	Year ago (approx.)
Ind. div. yield %	3.77	3.71	3.71	3.45
Ind. P/E Ratio	11.21	11.56	11.56	13.38
Long Govt. Bond yield	3.81	3.57	3.40	3.82

N.Y.S.E. ALL COMMON

Jan. 14	Jan. 13	Jan. 12	Jan. 11	1976-77 High	1976-77 Low
56.58	56.53	55.95	56.54	57.88	57.06

Rises and Falls

Jan. 14		
Issues Traded—1,888	Up—803	
Down—631	Same—454	
New Highs—111	New Lows—4	

MONTREAL

	Jan. 14	Jan. 13	Jan. 12	Jan. 11	1976/77 High	1976/77 Low
Industrial	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Combined	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TORONTO Composite	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

JOHANNESBURG

Gold	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Industrials	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	Jan. 17	Pre-vious	1976-77 High	1976-77 Low		Jan. 17	Pre-vious	1976-77 High	1976-77 Low
Australia	[illegible]	[illegible]	[illegible]	[illegible]	Spain	[illegible]	[illegible]	[illegible]	[illegible]
Belgium	[illegible]	[illegible]	[illegible]	[illegible]	Sweden	[illegible]	[illegible]	[illegible]	[illegible]
Denmark	[illegible]	[illegible]	[illegible]	[illegible]	Switzerland	[illegible]	[illegible]	[illegible]	[illegible]
France	[illegible]	[illegible]	[illegible]	[illegible]					
Germany	[illegible]	[illegible]	[illegible]	[illegible]					
Holland	[illegible]	[illegible]	[illegible]	[illegible]					
Hongkong	[illegible]	[illegible]	[illegible]	[illegible]					
Italy	[illegible]	[illegible]	[illegible]	[illegible]					
Japan	[illegible]	[illegible]	[illegible]	[illegible]					
Singapore	[illegible]	[illegible]	[illegible]	[illegible]					

Indices and base dates (all base values 100 except NYSE All Common—50, Standards and Poors—10 and Toronto 300-1,000, the last-named based on 1975. [illegible]

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after after withholding tax.
♦ DM50 denom. unless otherwise stated. ♥ Ptas.500 denom. unless otherwise stated. ♣ Kr.100 denom. unless otherwise stated. ◆ Frs.500 denom. unless otherwise stated. ‡ Yen 50 denom. unless otherwise stated. § Price at time of suspension. *a* Florins. *b* Shillings. *c* Cents. *d* Dividend after pending rights and/or scrip issue. *e* Per share. *f* Francs. *g* Gross div. %. *h* Assumed dividend after scrip and/or rights issue. *k* After local taxes. *m* % tax free. *n* Francs: including Unilac div. *p* Nom. *q* Share split. *s* Div. and yield exclude special payment. *t* Indicated div. *u* Unofficial trading. *v* Minority holders only. *y* Merger pending. * Asked. † Bid. ‡ Traded. § Seller. ¶ Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. Δ Interim since increased.

Pound improves

Sterling gained ground in the foreign exchange market yesterday following a sharp improvement in the U.K. trade figures. Trading was fairly quiet during the morning, with the authorities taking the opportunity to increase the foreign exchange reserves by buying dollars ahead of the announcement of the December trade figures.

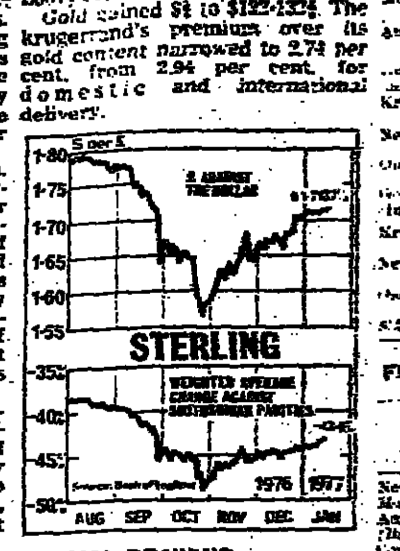
An improvement over the £301m. *trade deficit in November was expected* and this may account for *the fairly narrow range of business* even after the publication of the trade figures. The pound opened at $1.7115-1.7125 in terms of the dollar and remained steady at $1.7120-1.7130 until the afternoon. It touched a best level of $1.7135-1.7145 before closing at $1.7135-1.7140, a gain of 27½ points *on the day.*

Sterling's trade-weighted average depreciation since the Washington Currency Agreement of December, 1971, *as calculated by* the Bank of England, narrowed to 43 per cent. *from 43.1 per cent.*, after standing at 43 per cent. at noon and in early dealings.

The U.S. dollar lost ground during the morning, but recovered *most of its earlier losses to show* little change from Friday against most currencies. Its trade-weighted depreciation since the Washington Agreement, as calculated by Morgan Guaranty of New York on noon rates, widened slightly to 1.16 per cent. from 1.15 per cent.

The Italian lira was a little weaker following the scaling-down *of measures designed to protect* the currency. It touched L882, 884 in terms of the dollar, but improved to close at L881¾-882¼ in terms of the dollar, compared with L887¾-878 on Friday.

Gold gained $¾ to $132-132½. The krugerrand's premium over its gold content narrowed to 2.74 per cent. from 2.94 per cent. for domestic and international delivery.



SPECIAL DRAWING RIGHTS RATES

One SDR is equal to	Jan. 14	Jan. 13
Sterling	0.675137	0.677350
U.S. dollar	1.15570	1.15705
Belgian franc	42.6800	42.5158
Deutschemark	2.76547	2.76072
French franc	5.76145	5.75835
Italian lira	1014.65	1015.89
Japanese yen	338.100	338.379
Dutch guilder	2.90196	2.89205
Swedish krona	4.88283	4.85845
Swiss franc	2.88116	2.86972

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

Jan. 17	Frankfurt	New York	Paris	Brussels	London	Amsterdam	Zurich
Frankfurt	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
New York	41.74-76	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Paris	[illegible]	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]
Brussels	[illegible]	[illegible]	[illegible]	—	[illegible]	[illegible]	[illegible]
London	[illegible]	[illegible]	[illegible]	[illegible]	—	[illegible]	[illegible]
Amsterdam	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	[illegible]
Zurich	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—

U.S.$ in Montreal. C.S.$=[illegible] Canadian cents.
Canadian $ in New York. C$=[illegible] U.S. cents. U.S.$ in Milan [illegible]
Sterling in Milan 1510.25-1511.75. *Rates for Jan. 14.

EURO-CURRENCY INTEREST RATES*

Jan. 17	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
†Short term	[illegible]	[illegible]	7-8	6-6½	[illegible]	[illegible]
7 days' notice	[illegible]	[illegible]	7½-8½	6-6½	[illegible]	[illegible]
Month	[illegible]	[illegible]	8-8¼	6-6½	[illegible]	[illegible]
Three months	14¾-15	[illegible]	8-8½	6-6½	[illegible]	[illegible]
Six months	[illegible]	[illegible]	8-8¼	[illegible]	[illegible]	[illegible]
One year	14-14½	[illegible]	8-8½	[illegible]	[illegible]	[illegible]

Euro-French deposit rate: two-day [illegible] per cent.; seven-day [illegible] per cent.; one-month [illegible] per cent.; three-month [illegible] per cent.; six-month [illegible] per cent.; one year [illegible] per cent.

Longer-term Eurodollar deposits: two years [illegible] per cent.; three years [illegible] per cent.; four years [illegible] per cent.; five years [illegible] per cent.

The following rates were quoted for London normal certificates of deposit: one-month [illegible] per cent.; three-month [illegible] per cent.; six-month [illegible] per cent.; one year [illegible] per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

GOLD MARKET

	Jan. 17	Jan. 14
Gold Bullion (a fine ounce)		
Close	$132-132½	[illegible]
Opening	[illegible]	[illegible]
Morning fixing	$131.00	[illegible]
Afternoon fixing	$131.375	[illegible]
Gold Coins, domestically		
Krugerrand	$135-137	[illegible]
New Sovereigns	[illegible]	[illegible]
Old Sovereigns	[illegible]	[illegible]
Gold Coins, internationally		
Krugerrand	$135-137	[illegible]
New Sovereigns	[illegible]	[illegible]
Old Sovereigns	[illegible]	[illegible]
$20 Eagles	$217-220	[illegible]

FOREIGN EXCHANGES

Jan. 17	Bank Rate %	Day's Spread	Close
New York	[illegible]	1.7135-1.7145	[illegible]
Montreal	[illegible]	[illegible]	[illegible]
Amsterdam	5	[illegible]	[illegible]
Brussels	9	[illegible]	[illegible]
Copenhagen	10	[illegible]	[illegible]
Frankfurt	3½	[illegible]	[illegible]
Lisbon	[illegible]	[illegible]	[illegible]
Madrid	7	[illegible]	[illegible]
Milan	15	[illegible]	[illegible]
Oslo	5	[illegible]	[illegible]
Paris	[illegible]	[illegible]	[illegible]
Stockholm	8	[illegible]	[illegible]
Tokyo	6½	[illegible]	[illegible]
Vienna	4	[illegible]	[illegible]
Zurich	2	[illegible]	[illegible]

* Basic discount. † Rates given for convertible franc. ‡ Financial franc [illegible]

OTHER MARKETS

Argentina	[illegible]	Austria	[illegible]
Australia	[illegible]	Belgium	[illegible]
Brazil	[illegible]	Canada	[illegible]
Finland	[illegible]	Denmark	[illegible]
Greece	[illegible]	France	[illegible]
Hong Kong	[illegible]	Germany	[illegible]
Iran	[illegible]	Greece	[illegible]
Kuwait	[illegible]	Italy	[illegible]
Luxembourg	[illegible]	Japan	[illegible]
Malaysia	[illegible]	Netherlands	[illegible]
N. Zealand	[illegible]	Norway	[illegible]
Saudi Arabia	[illegible]	Portugal	[illegible]
Singapore	[illegible]	Spain	[illegible]
S. Africa	[illegible]	Switzerland	[illegible]
U.S.	[illegible]	U.S.	[illegible]
Canada	[illegible]	Yugoslavia	[illegible]

† Rate given is free rate.

FORWARD RATES

	One month	Three months
New York	[illegible]	[illegible]
Montreal	[illegible]	[illegible]
Amsterdam	[illegible]	[illegible]
Brussels	[illegible]	[illegible]
Copenhagen	[illegible]	[illegible]
Frankfurt	[illegible]	[illegible]
Lisbon	[illegible]	[illegible]
Madrid	[illegible]	[illegible]
Milan	[illegible]	[illegible]
Oslo	[illegible]	[illegible]
Paris	[illegible]	[illegible]
Stockholm	[illegible]	[illegible]
Vienna	[illegible]	[illegible]
Zurich	[illegible]	[illegible]

Six-month forward U.S. dollar [illegible]

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—116½% (116¼%)

NEW YORK

Stock	Jan. 14	Jan. 13
[illegible]	[illegible]	[illegible]

CANADA

Stock	Jan. 14	Jan. 13
[illegible]	[illegible]	[illegible]

* Asked. † Traded. ‡ New stock.

GERMANY ♦

Jan. 17	Price Dm.	+ or —	Div. %	Yld. %
A.E.G.	81.8	—0.5	—	—
Allianz Versich.	405		18	2.3
B.M.W.	229		18	3.9
B.A.S.F.	157.6	—0.4	14	4.4
Bayer	157.6	—1.1	14	5.1
Bayer Hypo	280	—2	20	3.6
Bayer Vereinsbk.	280.5	—2.5	20	3.0
Commerzbank	193	—1.8	18	4.7
Conti Gummi	67.8	—0.2	—	—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PARIS

Jan. 17	Price Frs.	+ or —	Div. Frs.	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AMSTERDAM

Jan. 17	Price Fls.	+ or —	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MILAN

Jan. 17	Price Lire	+ or —	Div. Lire	Yld. %
Anitalia Priv.	438	—28	—	—
ANIC	403.5	—0.5	—	—
Assicura. Fin.	2.315	+135	120	5.8
Bastogi	832	—13	—	—
Breda	1.840	+20	105	5.8
[illegible]	6.305	—50	—	—
Cantoni	5.150	—100	—	—
Cifa A	1.440	—95	—	—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BRUSSELS/LUXEMBOURG

Jan. 17	Price Frs.	+ or —	Div. Net	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SWITZERLAND ♦

Jan. 17	Price Frs.	+ or —	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

COPENHAGEN ♣

Jan. 17	Price Kroner	+ or —	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

VIENNA

Jan. 17	Price %	+ or —	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AUSTRALIA

Jan. 17	Aust. $	+ or —
[illegible]	[illegible]	[illegible]

TOKYO ‡

Jan. 17	Prices Yen	+ or —	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Source: Nikko Securities, Tokyo

STOCKHOLM

Jan. 17	Price Kronor	+ or —	Div. Kr.	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OSLO

Jan. 17	Price Kroner	+ or —	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BRAZIL

Jan. 15	Price Cruz	+ or —	Div. Cr.	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Vol. Cr. [illegible] Source: Rio de Janeiro SE.

JOHANNESBURG

MINES

Jan. 17	Rand	+ or —
Anglo American Corpn.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

INDUSTRIALS

Jan. 17	Rand	+ or —
[illegible]	[illegible]	[illegible]

SPAIN ♥

January 14	Per cent.	+ or —
Asland	[illegible]	[illegible]
Banco Bilbao	[illegible]	[illegible]
Banco Central	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

FARMING AND RAW MATERIALS

Sugar price fluctuates in London

By Our Commodities Staff

WORLD SUGAR values made a swift move upwards yesterday morning following the week-end reports of sales of Philippines sugar to China and the Soviet Union.

The London daily price for raw sugar was raised £14 to £135 a tonne. Nearby sugar futures prices showed similar gains. But by the end of the day most of the gains had been lost and March sugar was £4.35 higher than Friday's close at £137.25 a tonne. The second position was only £1.475 up at the same price.

Our Manila Correspondent writes: Mrs. Imelda Marcos, the wife of the president of the Philippines, told foreign correspondents that the Philippines had reached an agreement to sell 500,000 tonnes of sugar to the Soviet Union and 450,000 to China.

The sale, according to Mrs. Marcos, who returned recently from a mission abroad to sell sugar to non-traditional markets, had boosted the price of sugar in the depressed world market by 2 U.S. cents a pound. Although she did not say how much the Russians were paying for the 500,000 tonnes, she said the sale to China was at a "friendship price" of 12 cents a pound, corresponding to Filipino production costs.

The sale to China was on a barter arrangement under which the Philippines would get in exchange Chinese oil at $US7.20 a barrel.

● Reuter reported from Athens that Greek sugar production last year reached a record 355,000 tonnes, compared with 282,607 tonnes in 1975 and 172,000 tonnes in 1974.

Japan urged to import more Australian beef

TOKYO, Jan. 17.

AUSTRALIA IS pressing Japan to raise its beef import quota by 3,000 tons for the six months from next March and progressively to dismantle the quota after that, according to statements made at the opening session of the first Australia-Japan ministerial conference.

The talks opened in Tokyo today but did not look like dispelling several major problems in relations between the two countries, notably on Japan's beef quota, Canberra's policy on Japanese fishing in Australian waters, and above all Japan's attitude to investment in Australia.

Tin and lead values surge to new peak

BY JOHN EDWARDS, COMMODITIES EDITOR

TIN AND LEAD—both reaching new all-time highs—set the pattern for a general rise in base metal prices on the London Metal Exchange yesterday.

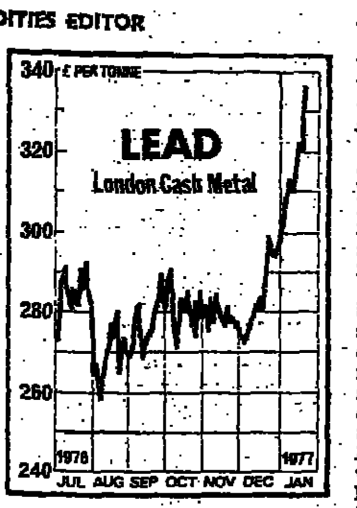
Cash tin closed £97.5 up at £5,625 a tonne, slightly widening the premium established on Friday over the three months quotation, which gained £88 to £5,600 a tonne.

The London market was boosted by a recovery in the Straits tin price over the weekend. This rallied back to $M1,399 a picul, after losing $M14 from the peak of $M1,400.

The upward trend was also boosted by a further fall in LME warehouse stocks—down 550 tonnes to 4,470 tonnes—and reports that tin shipments destined to arrive in Europe during January would now be delayed until February.

Tin stocks in LME warehouses have fallen for nine weeks in succession, from a total of 6,560 tonnes in November. This may reflect the sales which finally exhausted the holdings of the International Tin Agreement buffer stock.

The result is that the tight nearby supply shortage which is developing which may get worse if the physical buying interest shown yesterday continues. On the other hand there were signs of reluctance to buy at the higher levels and there were some nearby offerings. It was thought these could be long-term investors taking their profits with a view to re-establishing a similar position anhead.



Cash lead jumped by £16 to a new peak of £336.5 a tonne yesterday—a gain of £23 during the past week alone. On the late kerb the gap between cash and three months quotation narrowed to £5 although the forward price closed nearly £10 higher at £346.25.

LME warehouse stocks showed a small rise of 225 tonnes at 66,800 tonnes. Dealers said a large proportion of these holdings were already earmarked for shipment to Eastern Europe, mainly the Soviet Union.

It was noted that the bulk of buying interest had come from speculators. They were encouraged yesterday by a report issued by London brokers, Commodity Analysis, forecasting that cash lead would reach £350 a tonne by the middle of the year. It estimated there was a world-wide lead deficit of 60,000 tonnes last year and there would be a further shortfall of 15,000 tonnes this year.

But the report warns that supplies would begin to exceed demand sometime in the latter half of the year and bring a surplus situation next year.

Copper and zinc prices were both given a firm undertone by the change in sentiment triggered by the sharp rises in lead and tin. Zinc stocks fell 1,675 to 82,950 tonnes. Copper stocks gained 2,825 to a record of 613,425 tonnes. LME silver stocks fell 180,000 to 28,320,000 ounces.

U.S. plans farm prices boost

WASHINGTON, Jan. 17.

MR. HERMAN Talmadge, chairman of the Senate Agriculture Committee, said he will introduce a five-year farm bill tomorrow boosting price support protection for U.S. farmers to a level matching their production costs.

Target prices for each commodity for the first year, 1978, would be set at the full 1977 cost of production determined by the Agriculture Department—including land cost.

That comes to $2.91 a bushel for wheat, $2.28 a bushel for maize and 51.1 cents a pound for cotton. The loan level in each case would be set at 75 per cent. of that price—$2.18 a bushel for wheat, $1.71 a bushel for maize and 38.33 cents a pound for cotton.

The current limitation of $20,000 in payments to any farmer would be continued.

Congressional sources estimated that, if current market prices for grain were to remain unchanged, the target price programme could cost the taxpayers nearly $1bn. a year.

Under the target price approach the government pays the farmer the difference between the market price for his product and the guaranteed level of returns.

Other portions of the wide-ranging bill would broaden the scope of the Food for Peace programme, rescinding current restrictions which mandate aid largely to the poorest nations.

The bill would extend for five years current programmes for wool, rice, milk marketing orders and indemnification for losses to dairy farmers.

The bill omits mention of either the groundnut programme, dairy price supports or re-establishing a sugar programme.

Committee staff members who drafted the bill for Mr. Talmadge said those matters could be dealt with later, as the bill advances through the Congressional process.

Reuter.

Skim milk subsidy bid

BRUSSELS, Jan. 17.

THE EEC Commission has proposed an increase in the subsidies on liquid and condensed skimmed milk in animal feeds to prevent any further rise in the Common Market's 1.2m. tonne mountain of skimmed milk powder.

It will ask the next Farm Ministers' meeting on January 24-25 to approve in principle a higher subsidy than the present four units of account per 100 kilos for liquid skimmed milk incorporated mainly into pig-feed. The actual subsidy would be fixed later by the commission.

The commission is also asking the ministers to allow subsidies to be paid for the first time on condensed skimmed milk included in animal feed, particularly for calves.

Reuter

Cocoa price reaches record

By Richard Mooney

A FURTHER rise yesterday took the present run of price increases on the London cocoa terminal market to seven days and lifted the May position to a record £2,226 a tonne. The rise on the day was £31.5 a tonne.

Dealers saw the advance as a continuation of last week's trend, aided by the announcement of a 10.8 per cent. increase in West German grindings for the fourth quarter of last year. West German consumption was forecast to rise as much as 10 per cent. by some dealers, but the outturn was well above the average forecast figure.

The only fourth quarter 1976 grinding figure still to be announced is that for the U.K. London sources said this should be announced on Wednesday. A 5-10 per cent. rise is geenrally expected.

Despite the generally bullish consumption trend indicated by the latest round of grinding figures some London dealers are expecting an early break in the market.

They pointed out that differentials between nearby and distant delivery cocoa are narrowing. This trend would not be expected during a genuine bull movement. This leads them to suggest that a substantial shake-out could be on the way.

Mexico may need wheat imports

WASHINGTON, Jan. 17.

DISRUPTION DUE to land ownership demands by farm workers could force Mexico to move from selfsufficiency in wheat to a ned to import at least 500,000 tonnes in 1977-78, according to the U.S. Agriculture Department.

The Department publication "Foreign Agriculture" said turmoil in the key agricultural states of Sonora and Sinaloa delayed land preparation and seeding.

It cited trade sources as projecting a decline of 400,000 to 700,000 tonnes in the 1977 wheat crop.

Reflecting a sharp reduction in soyabean and safflower output, Mexico is expected to import up to 450,000 tonnes of soyabeans in the year from September, 1976, because of a sharp reduction in soyabean and safflower output. In the previous marketing year 133,000 tonnes were imported.

NATURAL RUBBER MARKET

Brighter outlook for producers

BY BERNARD SIMON

IT IS IRONIC that the talks in Geneva this week to pave the way for a price-stabilising international rubber agreement should take place when the outlook for natural rubber is distinctly favourable to producing countries.

The talks are being held under the auspices of the UN Conference on Trade and Development. They follow the November accord between the four major producers (Malaysia, Thailand, Indonesia and Sri Lanka) and Singapore to set up an International Natural Rubber Council and a buffer stock of 100,000 tonnes.

UNCTAD has proposed a buffer stock of 450,000 tonnes (about six weeks' production) financed by both producers and consumers to maintain "floor" and "ceiling" prices.

Optimists

It is unlikely that either proposal will produce results for some time. Rubber prices are currently high enough and the outlook is sufficiently bright to provide little incentive to major producers to press hard for a costly stabilisation programme.

It has been claimed that the current Malaysian budget is based on an average rubber price of about 200c. a kg. Market prices for RSS No. 1 rubber are hovering around 210c. Optimists see the price breaking the 250c barrier in the next six months.

Observers are surprised that prices in London have not increased at a smarter pace since the beginning of the year, especially as the market had already braced itself for a 10 per cent. oil price hike.

After reaching a peak of 63p a kg during sterling's slide last November, the London spot price for RSS No. 1 rubber drifted to just below 50p on December 21. The price has recovered only slightly to 53p a kg.

The terminal market has been more lively, reflecting continuing interest in rubber as a hedge against fluctuations in sterling.

But as brokers Lewis and Peat said in their latest market report, while prices last year "were mainly influenced by currencies, we may now be entering a period where values are likely to be influenced by normal considerations of supply and demand"

Fundamentals point to a steady rise in rubber prices this year. Should the pound falter the rise will gain momentum.

Malaysia, the world's leading natural rubber producer, and the USSR, largest supplier of synthetic polyisoprene rubber, yesterday agreed to exchange technical information on their respective products.

Rubber output this year is likely to rise slightly, but the mainspring of optimism is the forecast of an increase of as much as 15 per cent. in natural rubber consumption this year.

The market's strength depends above all on the health of the motor industry. Tyres and tyre products account for about three-quarters of natural rubber use in the seven countries which consume more than half the world total.

Motor car sales in the U.S. this year are expected to rise about 9 per cent. to near the 1973 record of 11.3m. It is predicted that the turnover of the U.S. motor parts industry and rubber and plastics plants will rise 17 per cent. and 19 per cent. respectively.

Mr. O. Pendleton Thomas, the chairman of Goodrich Tyre, recently forecast passenger tyre output will jump more than 30 per cent. this year from the levels of last year.

Economic recovery in Japan, West Germany and some other industrial countries bodes well for a similar increase in sales.

These forecasts are borne out by rumours that Goodyear alone has bought about 20,000 tonnes of rubber in the past ten days. Several other tyre companies are also said to have been in the market for large amounts.

Demand

In addition, there is reported to have been good demand in London in the past few weeks from Russian and East European buyers. Forward contracts signed for the Russians are already estimated to be 10 per cent. higher than in the same period last year.

A further bull factor for natural rubber is the many new uses to which it is being put. Non-motor demand is forecast to grow at an annual rate of 10-15 per cent.

Among the strong growth areas are the carpet industry (where felt underlay is being replaced by a foam backing based on natural rubber), engineering and construction uses and food production.

Fears of a threat to the competitiveness of natural rubber have diminished with the rise in the price of oil — the raw material for many synthetics.

Rubber is benefiting from the growing popularity of radial tyres, which have a higher natural rubber content than cross-ply or bias-belted types.

UNCTAD optimistic on rubber pact

BY DAVID EGLI

GENEVA, Jan. 17.

THE CHANCES of reaching a new international agrement for natural rubber were considered beter to-day than in the past by both Mr. Gamani Sorea, the Secretary-General of the U.N. Conference on Trade and Development, and Mr. Charles Boutry, the president of the International Rubber Study Group.

Mr. Boutry, a Frenchman, was elected chairman of the first preparatory meeting on rubber convened by UNCTAD under the integrated programme for commodities, which opened here today.

The meeting is the fourth preparatory conference convened under UNCTAD's integrated commodities programme. Previous meetings on copper, jute and hard fibres have not been marked by significant progress.

There appears to be a tendency on the part of the Government representatives (there are 54 taking part in the present meeting) to play for time until they see what is happening in the parallel efforts to create a common fund for the financing of international buffer stocks.

The meeting agreed to allow representatives of the International Institute of Synthetic Rubber producers to participate in its work in the coming week.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Firmer on the London Metal Exchange, reflecting the change in sentiment that accompanied the strong rise in tin and lead. Steady demand allowed forward metal to rise throughout the day from a start of £832. Speculative buying absorbed profit-taking and short selling around £840, while there was continued trade inquiry for cathodes. The close on the Kerb was £842. Turnover 150 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £803, 02.5, 03, 02, late January, £805, three months, £837, 37.5, 38, 37.5, 37, 37.5, 38, 37.5, 37, 37.5. Cathodes: Cash, £790.5, three months, £826, 26.5, 25, 25.5. Kerb: Three months, £838, 37.5. Afternoon: Wirebars, cash, £804, three months, £839, 38.5, 38, 40, 39.5, 40, 40.5, 41, 40.5. Cathodes: Three months, £829. Kerb: Cash, £807, three months, £841, 40.5, 41, 41.5.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	802-.5	+5.5	805.5-6.5	+10
3 months	837-.5	+7	840-.5	+11
Settlem't	803.5	+5.5	—	......
Cathodes				
Cash	790-.5-1	+4.5	794.5-6	+11½
3 months	825-.5	+5.75	828.5-9.5	+12½
Settlem't	791	+4.5	—	......
U.S. Smt.	—	......	—	......

TIN—Continued strong, reaching new peaks. Although the East was a fraction lower on balance over the weekend, forward metal opened in London at £5,530. European physical demand, speculative buying and bear covering lifted the price to £5,596 by the end of the morning. There was heavy buying of cash and covering of nearby positions in the light of stock shortages and a likely delay in shipments from the East, resulting in a widening of the backwardation. The firmness continued in the afternoon for forward metal with buying against physical business in the U.S., but some offerings of nearby positions allowed the backwardation to narrow. Forward metal closed on the Kerb slightly below its best at £5,600. Turnover 2,435 tonnes.

Morning: Standard, cash, £5,590, 5,615, 20, 30, three months, £5,550, 55, 60, 65, 70, 75, 85, 90, 85. Kerb: Three months, £5,585, 80, 90, 85, 90. Afternoon: Standard, cash, £5,630, three months, £5,560, 65, 90, 5,600, 595, 600, 05, 07, 10, 05, 600, 02, 03, 02, 01, 600. Kerb: Three months, £5,600, 5,595, 5,600.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	5630-40	+152.5	5620-30	+37.5
3 months	5580-5	+85	5600-1	+88
S'ment	5640	+155	—	......
Standard				
Cash	5630-40	+152.5	5620-30	+87.5
3 months	5580-5	+85	5600-1	+88
S'ment	5640	+155	—	......
Straits E.	‡$1,399	—1	—	......
New York	—	......	—	......

LEAD—Very firm with prices reaching new highs, prompted by stop-loss and commission house buying. A study from Commodity Analysis predicting a developing shortage of metal buoyed up the market. Forward metal opened higher at £343 and after a small retreat advanced to a peak for the day of £347. On the late Kerb the contango narrowed, stressing the shortage of nearby material. The closing price was £345.5. Turnover 6,700 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	331-2	+12	336-7	+16
3 months	343-.5	+11.5	346-.5	+15.5
S'ment	332	+12	—	......
N.Y. Spot	-	......	—	......

Morning: Three months, £343, 42, 41, 42, 42.5, 43, 44, 43, 43.5, 44, 43.5, 43. Kerb: Three months £343.5, 43, 44, 45. Afternoon: Three months, £344.5, 45, 45.5, 46, 45.5, 46, 47, 46, 47, 46.5, 47, 46.5, 46. Kerb: Three months, £345, 45.5.

ZINC—Gained ground after a strong start at £423 on stock considerations. Mainly speculative buying caused an advance to £426, the high point for the day. The market was influenced by the performance of lead, but turned quieter in the afternoon. The closing price on the Kerb was £425.25. Turnover 6,650 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	407-8	+7.75	407-8	+7.25
3 months	425.5	+8.5	425.5-.5	+8.5
S'ment	408	+8	—	......
Prm.West	—	......	—	......

Morning: Three months, £423, 24, 23.5, 23, 22, 23, 23.5, 24, 25, 26, 25, 25.5, 25. Kerb: Three months, £425, 24.5. Afternoon: Three months, £425, 24.5, 25, 25.5. Kerb: Three months, £425.5, 26.

* Cents per pound. † On previous unofficial close. ‡ $M per picul.

I.G. Index 01-351 3466 Three month head 343½-347½

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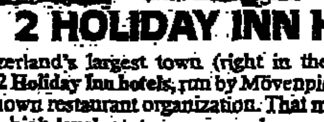

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SILVER

LME—Turnover 150 (67) lots of 10,000 ozs. Morning: Cash 254.0, 4.2; three months 263.6, 3.3, 3.5, 3.6, 3.7, 3.8, 3.9, 3.8. Kerb: Three months 263.8, 3.7. Afternoon: Three months 263.4, 3.8, 3.8. Kerb: Three months 263.9, 64.0, 64.1.

SILVER per troy oz.	Bullion fixing prices	+ or —	L.M.E. close	+ or —
Spot	253.9p	+0.8	254p	+2.4
3 months	263.4p	+1.8	263.85p	+2.25
6 months	272p	+1.0	—	......
7 months	—	......	274.5p	......
12 months	290.1p	+1.0	—	......

Silver was fixed 0.8p an ounce higher for spot delivery in the London bullion market yesterday at 253.9p. U.S. cent equivalents of the fixing levels were: spot 434.9c, up 1.7c; three-month 440.9c, up 1.8c; six-month 447.4c, up 1.7c; and 12-month 461.5c, up 1.6c. The metal opened at 252½-253½p (432-434c) and closed at 254½-255½p (436-438c).

GRAINS

THE BALTIC—Brokers reported a nearby demand for early transhipment maize. The steady level of £83.25 a tonne cif freeout was paid for Jan. and Feb. shipments to East Coast ports.

Wheat—EEC Feed Jan. £85, Feb. £85.50 East Coast.

Maize—No. 3 Yellow American/French Jan. £83.50, Feb. £84.25 East Coast.

MARK LANE—Business was generally quiet but prices held steady. March parcels of milling wheat sold to London at £90 a tonne and April-June at £92.25 and £93.50. East Anglia bought Feb. and March deliveries of denaturable wheat at £88 and £89 a tonne respectively. Average sellers' quotations for delivery London area: wheat milling Jan. £89, denaturable Feb. £88, Barley East Anglia Jan. £85.

LONDON GRAIN FUTURES MARKET (GAFTA)—Wheat, steady. Close: Jan. £85.90, March £87.40, May £90.00, Sept. £92.10, Nov. £94.90. Business: Jan. £85.90-£85.75, March £87.45-£87.35, May £90.00-£89.85, Sept. £92.15-£92.10, Nov. £95.05-£95.00. Sales: 82.

Barley, steady. Close: Jan. £82.35, March £84.10, May £86.60, Sept. £89.70, Nov. £92.40. Business: Jan. £82.40, March £84.15-£84.00, May £86.75-£86.70, Sept. nil, Nov. £92.50-£92.45. Sales: 62.

EEC DAILY IMPORT LEVIES—Effective to-day (in order current levy plus Feb., March and April premiums, with previous in brackets). The rates quoted are all in units of account a tonne: Common wheat—83.63, nil, nil, nil (84.75, nil, nil, nil); Durum wheat—140.64, nil, nil, nil (same); Rye—84.43, nil, nil, nil (same); Barley—44.96, nil, nil, nil (same); Oats—49.35, nil, nil, nil (same); Maize (other than hybrid for seeding)—51.48, 0.18, 0.18, 0.55 (51.48, 0.92, 0.92, 1.10); Buckwheat—All nil; Millet—56.50, nil, nil, nil (same); Grain sorghum—59.08, 0.37, 0.37, nil (59.08, 0.37, 0.37, nil).

Also for flours: Wheat or mixed wheat and rye—128.57 (130.11); Rye—101.64 (101.64).

COCOA

In the absence of origin selling continued manufacturer buying, stimulated in part by a 10.8 per cent. increase in West German fourth-quarter grindings, pushed values higher, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
No.6 Con'tr'ct			
March	2260.0-65.0	+55.5	2298.0-42.0
May	2225.0-27.0	+31.5	2250.0-04.0
July	2160.0-70.0	+26.0	2198.0-42.0
September	2095.0-99.0	+36.5	2120.0-66.0
December	1965.0-10.0	+17.75	1925.0-1958
March	1835.0-40.0	-4.75	1840.0-1652
May	1785.0-1805.0	+5.25	

Sales: 3,690 (15,226) lots of 10 tonnes.

International Cocoa Agreement (U.S. cents per pound). Daily price for Jan. 14 160.90 (156.54). Indicator prices Jan. 17: 15-day average 143.67 (142.06): 22-day average 141.51 (140.29).

COFFEE

Robusta futures closed slightly steadier in quiet trading. Values were £40 up to £34 was down on the previous close.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
January	2700-705	+40.0	2695-695
March	2734-738	-16.5	2765-730
May	2765-767	-26.5	2800-755
July	2775-780	-28.5	2805-765
September	2780-786	-34.5	2795-784
November	2785-795	-32.5	2805-785
January	2787-795	-32.0	2815-790

Sales: 1,769 (4,547) lots of 5 tonnes.

ICO Indicator prices for January 14 (U.S. cents per pound). Colombian Mild Arabicas 224.00 (222.00), unwashed Arabicas 247.50 (same), other mild Arabicas 222.33 (221.17), Robustas 218.50 (218.00). Daily average 220.42 (218.59).

RUBBER

Steadier opening in the London physical market. Little interest throughout the day: closing featureless. Lewis and Peat reported a Malaysian godown price of 212 (210) cents a kilo (buyer, February).

No. 1 R.S.S.	Yesterday's close	Previous close	Business done
Feb.	54.45-54.80	53.55-53.80	54.50-54.00
March	56.20-56.25	55.00-55.10	56.50-55.25
Apr-Jne	61.80-61.70	61.50-61.70	62.50-61.90
Jly-Sept	66.60-65.85	66.50-66.60	67.00-66.50
Oct-D'c	69.85-69.90	69.75-69.85	70.30-69.75
Jan-M'r	72.50-72.60	72.45-72.55	72.45
Apr-Jne	75.75-74.75	75.75-74.00	—
Jly-Spt.	74.75-75.50	74.00-76.75	—
Oct-Dec	76.00-79.15	76.00-79.75	—

Sales: 109 (139) lots of 15 tonnes, 96 (35) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 53p (same); Feb. 53.75p (53.5); March 55.25p (55.0).

JUTE

DUNDEE—Quiet. Prices c. and f. U.K. for Jan.-Feb. shipment: BWC £234, BWD £223. Tossa: BTB £250, BTC £235, BTD £225. Calcutta goods easier. Quotations c. and f. U.K. for Jan. shipment: 10-oz 40-in. £8.47, 7½-oz £6.40 per 100 yards. Feb. £8.46 and £6.41, March £8.49 and £6.44. "B" twills £28.84, £26.15 and £26.36 for the respective shipment periods. Yarns and cloths very firm.

LONDON—Quiet. Bangladesh White "C" grade Jan.-Feb. $392; Bangladesh White "D" grade Jan.-Feb. $375 a long ton.

CALCUTTA—Steady. India spot Rs.520: Dundee Tossa Four spot Rs.520 a bale of 400 lb.

SOYABEAN MEAL

The market opened 50p down in thin trading, reports SNW Commodities. Small export demand at the week-end brought prices up to Friday's close. At the close, values drifted in anticipation of the USDA's 1976 crop figures.

	Yesterday Close	+ or —	Business Done
	£per tonne		
February	154.00-54.2	+0.25	154.00-53.50
April	156.50-56.7	-0.35	157.0-55.4
June	156.8-57.0	-0.7	157.50-56.50
August	156.8-57.5	-0.85	157.5-56.30
October	155.5-55.8	-1.15	156.50-55.40
December	150.5-52.0	-0.75	—
February	150.50-54.0	-1.15	—

Sales: 127 (149) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar) £135.00 (£121.00) a tonne cif for Jan.-Feb. shipment. White sugar daily price was fixed at £155.00 (£143.00).

Heavy short-covering at the opening lifted prices £10 above pre-weekend levels. The highs were shortlived and the market had taken back £8 by the end of a very active opening call, reports C. Czarnikow. Prices held steady until mid-afternoon when New York failed to match up and the market closed at the lows of the day.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
March	137.00-37.50	132.80-33.00	148.00-31.75
May	137.0-37.50	135.75-35.80	144.00-36.25
Aug.	137.25-38.00	137.50-37.75	142.50-37.00
Oct.	140.00-40.25	138.75-39.0	143.00-39.00
Dec.	142.00-42.25	140.50-40.75	144.00-39.00
March	145.10-45.25	145.50-45.75	146.50-42.00
May	146.20-46.75	144.90-44.95	148.00-45.00

Sales: 6,394 (4,832) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis: white sugar was £224.00 (same) a ton for home trade and £265.00 (£269.00) for export.

EEC IMPORT LEVIES—The following import levies for white and raw sugar are effective for Jan. 18 in units of account per 100 kilos (with previous in brackets). White sugar (denatured and non-denatured)—17.87 (18.40). Raw sugar—16.15 (17.93).

WOOL FUTURES

LONDON—The market was unchanged to a shade firmer awaiting news of Australian auctions, reports Bache.

Australian Greasy Wool	Yesterday Close	+ or —	Business Done
(Pence per kilo)			
March	251.5-54.0	+0.50	252.5
May	261.0-64.0	+0.75	—
July	266.0-69.0	+0.90	267.5
October	275.0-76.0	-0.50	—
December	279.0-81.0	+0.50	281.0
March	281.0-87.0	+1.00	—
May	285.0-88.0	+0.50	—
July	286.0-88.0	+1.50	—

Sales: 13 (8) lots of 1,500 kilos.

SYDNEY GREASY (in order buyer, seller, business sales)—March 357.5, 357.9, 358.0-355.5, 26; May 360.5, 361.0, 361.0-359.0, 63. Sales: 103. Micron Contract—July 364.0, 365.0, 365.0-363.5, 25; Oct. 364.5, 364.5, 364.5-363.5, 44; Dec. 365.5, 366.2, 366.5-366.0, 14; March 370.8, 371.4, 371.4-371.0, 14; May 371.5, 372.0, 372.5-371.5, 15; July 373.0, 374.0, 374.0-374.0, 3. Sales: 115.

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets in the week to January 15. GB cattle 59.50p a kg lw (−0.20). U.K. sheep 123.2p a kg est dcw (+0.2). GB pigs 49.7p a kg lw (−1.9). England and Wales—Cattle up 14.5 per cent., average price 58.23p (−0.01). Sheep down 6.3 per cent., average price 129.2p (+0.1). Pigs up 4.7 per cent., average price 49.8p (−1.9). Scotland—Cattle up 38.8 per cent., average price 60.43p (−1.43). Sheep up 30.9 per cent., average price 122.8p (+1.1). Pigs up 270.6 per cent., average price 54.5p (+3.0).

MEAT COMMISSION—Average fatstock prices at representative markets on January 17. GB cattle 59.45p a kg lw (−0.26). U.K. sheep 127.0p a kg est dcw (+3.4). GB pigs 49.4p a kg lw (−0.5). England and Wales: Cattle up 2.2 per cent., average price 59.46p (−0.05). Sheep down 25.5 per cent., average price 127.0p (+3.4). Pigs down 15.2 per cent., average price 49.3p (−0.5). Scotland: Cattle down 32.4 per cent., average price 59.42p (−1.29). Sheep down 37.9 per cent., average price 127.2p (+3.5). Pigs down 27.1 per cent., average price 53.6p (−0.1).

SMITHFIELD (in pence per pound)—Beef: Scottish killed sides 47.0 to 50.0; English hindquarters (nc) some heavy 51.0 to 55.0, Ulster hindquarters 53.0 to 58.0, forequarters 35.0 to 40.0.

Veal: Dutch hinds and ends 62.0 to 68.0.

Lamb: English small 44.0 to 50.0, medium 46.0 to 46.0, heavy 44.0 to 46.0; Scottish medium 45.0 to 46.0, heavy 44.0 to 46.0, hill 40.0 to 50.0; imported frozen: NZ PH 45.5 to 46.0, YLs 46.0 to 46.5.

Pork: English, under 100 lbs. 30.0 to 37.0, 100-120 lbs. 30.0 to 37.0, 120-160 lbs. 30.0 to 36.0.

Pheasants: Best (a brace) 260.0 to 320.0.

COVENT GARDEN (Prices in sterling)—Imported produce: Oranges—Spanish: Navels/Navelines 3.10-3.30; Jaffa: Navels 3.05-4.05; Egyptian: 2.50-2.60. Sours—Seville: approx. 40 lbs 4.30. Bitters—Malaga: approx. 40 lbs 4.00-4.10. Clementines—Spanish: 3.00-3.40, Cypriot: 2.40-3.00; Moroccan: 3.00-3.20. Satsumas—Spanish: trays approx 20 lbs 2.70-3.00. Lemons—Italian: 3.10-3.40; Cypriot: 3.00-3.60; Sth. African: 3.00-3.50. Grapefruit—Jaffa: 3.00-3.65; Cypriot: 2.50-3.30; 4-boxes 2.00. Peaches—Sth. African: trays 1.70-1.90. Plums—Sth. African: per pound Santa Rosa 0.35-0.40, Methleys 0.30. Apricots—Sth. African: per pound 0.22-0.24. Grapes—Spanish: Almeria 2.00-2.40, Black 4.50. Melons—Spanish: Green 2.00-3.60, 15 kgs cases 7.00. Apples—French: Golden Delicious 2.10-2.50, Stark Crimson 2.00-2.40, Granny Smith 3.00-3.20, jumble pack Golden Delicious 2.50-2.70; Italian: per pound Golden Delicious 0.10, Granny Smith 0.14; Hungarian: 40 lbs Starking 5.00. Pears—Italian: 14 lbs Passacrassane per pound 0.10; Dutch: Conference 0.11-0.13; Belgian: 0.09. Dates—Algerian: 0.30-0.35; Tunisian: 0.32-0.34. Tomatoes—Spanish: boats trays 1.50-2.00; Canaries: 2.60-3.20. Cucumbers—Canaries: per 10/16 prepacked 1.60-2.10. Onions—Spanish: 6.40-6.80; American: 6.00. Celery—Israeli: prepacked 4.00; Spanish: 3.50. Lettuce—Dutch: 24 3.60 4.00. Potatoes—Italian: New 20 lbs basket 3.00; Canaries: 12½ kgs 3.60, 25 kgs 7.60-7.80, single cross 25 kgs 6.50-6.60; Cypriot: 7.40. Cauliflowers—Jersey: 24 7.00-8.00; French: 24 7.50-8.00. Walnuts—Californian: per pound 0.35-0.38; Indian: per pound 0.22. Brazils—LWM per pound 0.25.

English Produce: Apples—Per pound Bramley's Seedling 0.07-0.12, Cox's Orange Pippin 0.13-0.17. Pears—Per pound Conference 0.09-0.13, Comice 0.10-0.12. Potatoes—Per bag 5.00-5.60. Carrots—Per net 12½ kgs 1.80-2.40. Lettuce—Per 12, round 1.20-1.80. Celery—Per 18/30 prepacked 3.80. Spring Greens—Per net 3.50, Cornish crates 6.00. Cabbages—Per net 3.50. Cauliflowers—2.00-3.00. Swedes—Per 28 lbs Devon 1.50, Yorkshire 1.50. Sprouts—Per 20 lbs 2.40-3.00. Parsnips—Per 28 lbs 2.30-3.00. Mushrooms—Per pound 0.40-0.50. Turnips—Per 28 lbs 1.60-2.00. Rhubarb—Per pound 0.18-0.19.

COTTON

COTTON—Liverpool. Spot and shipment sales in Liverpool amounted to 128 tonnes. Moderate demand was experienced but business was still unimportant, reports F. W. Tattersall. Support came in Central African and Turkish varieties.

PALM OIL

LONDON PALM OIL MARKET—The market drifted in quiet conditions to close about £1 lower on the near to about unchanged on the forwards, reports Faure Fairclough. The main activity in palm oil continues to be in the Far East export market. Close: Feb. £274½-£271, April £278½-£274, June £282-£278, Aug. £284-£281, Oct. £284½-£281, Dec. £285-£276½, Feb. £284½-£276½. Sales: 3 lots.

★

GRIMSBY FISH—Supply poor and demand good. Prices a stone at ship's side, unprocessed: Shelf cod £3.60-£4.40, codlings £3.40-£4.00; large haddock £4.00-£4.20, medium haddock £3.40-£3.80, small haddock £2.60-£2.80; large plaice £2.50, medium plaice £2.50-£2.80, best small plaice £2.80-£3.20; skinned dogfish (medium) £4.40, large £5.40; lemon soles £6.50-£7.00; rock fish £2.60-£3.10; reds £2.10-£2.50; saithe £2.50-£3.20.

PRICE CHANGES

Prices per ton unless otherwise stated.

	Jan. 17 1977	+ or —	Month ago
Metals			
Aluminium (w)	£610	......	£579
Free Market (cif)	$820-40	......	$895-900
Copper			
Cash Wire Bars (w)	£806	-10	£780.25
3 months do. do. (w)	£840.2	-11	£814.25
Cash Cathode (w)	£795.25	-11.75	£768.5
3 months do. do. (w)	£829	+12.25	£801.5
Gold ... Troy oz.	$132.375	-0.75	$132.125
Lead Cash (w)	£336.5	-16	£287.5
3 months (w)	£346.25	+15.5	£295.75
Nickel (w)	£5,214	......	£5,286
Free Market (cif) lb.	$1.98-2.1	......	$1.9-2.06
Platinum (troy oz.)	£97-102	......	103-105
Free Market	£89	-0.5	88.75
Quicksilver (76lbs)	$140 145	......	$135-138
Silver Troy oz.	263.9	+0.8	257.6
3 months	263.4	-1.0	267.3p
Tin Cash (w)	£5,625	-97.5	£4,970
3 months (w)	£5,600.5	+86.0	£5,102.5
Wolfram 22.04 lb. cif	$137-54	......	$145-146
Zinc Cash (w)	£407.5	+7.25	£387.25
3 months (w)	£425.2	+8.5	£404.75
Producers (r)	$745	......	$695
Oils			
Coconut Malayan		......	
Groundnut			
	£542	......	£527
Linseed Crude (z)	£450	......	£450
Palm Malayan (z)	$463k	......	$448
Soyabean (u)		......	
Seeds			
Copra Philippines	$580o	......	$590
Gr'nuts Nigerian		......	
Linseed Can. No. 1	£185q	-0.25	£190
Grains			
Barley EEC		......	£82
Home Futures	£82.25	-0.05	£80.25
Maize			
French No. 3 Am.	£83.5	......	£81
S.A. Yellow		......	
Wheat			
No. 1 Red Spring		......	
No. 2 Hard Winter		......	
Australian n.q.		......	
English Milling (r)	£88	......	£87
Cocoa Shipment (u)	£2370	+31.0	£2.072
Futures May	£2,226	+31.5	£1,062.5
Coffee Futures			
Mar. (u)	£2,756	-16.0	£2.713
Cotton 'A' Index cent	76.05	+0.15	83.35
Jute LJABWC (d)	£392a	......	$384
Rubber kilo	53p	......	50p
Sisal EA&L (w)	$600h	......	$600
Sugar (Raw (u))	£135	-14	£115
Wooltops 64s kilo	306p	......	306p
Cloves (Madagascar)	£5,000k	......	£4.100
Pepper White ton	$2550h	......	£1.360
Black ton	$2225h	......	£1.155

* Nominal. † Seller. ‡ Unquoted. § Un official close. ♣ Indicative price. u Seller's quotation. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white 'C'. h Jan.-Feb. i Jan.-March. j April-June. k March-April. q April-May. r Feb.-March. w Metric tons. o February.

FINANCIAL TIMES

Jan. 14	Jan. 13	Month ago	Year ago
254.74	254.28	244.62	176.52

(Base: July 1, 1952=100)

REUTER'S

Jan. 17	Jan. 14	Month ago	Year ago
1601.0	1587.4	1550.5	1196.0

(Base: September 18, 1931=100)

DOW JONES

Dow Jones	Jan. 14	Jan. 13	Month ago	Year ago
Spot	380.21	380.04	362.42	301.88
Futures	376.95	372.72	362.86	295.73

(Average 1924-25-26=100)

MOODY'S

Moody's	Jan. 14	Jan. 13	Month ago	Year ago
Spie Commo'ty	873.4	873.5	850.2	785.8

(December 31, 1931=100)

★

COPRA—Philippines (per tonne): Feb. March and April $380 resellers cif North European ports.

U.S. water supply threatened

WASHINGTON, Jan. 17.

RECORD LOW snowfall in most of the western part of the U.S. is endangering next summer's water supply, the U.S. Agriculture Department said.

In surveys conducted on January 1, less snow was found in many parts of the West than at the beginning of any January in the past 40 years. Usually almost half the year's snow pack has accumulated by this date.

The USDA said many snow survey sites were bare and most others had less than 30 per cent. of the normal snowpack. To catch up snowstorms would have to double between this month and May to prevent summer water shortages.

While in most western states reservoirs are full supplies would meet less than half the summer irrigation requirements. In California the record drought last year depleted most reservoir supplies.

There was no snowpack in Nevada, New Mexico, Oregon, southern Washington and much of Idaho had 5-15 per cent. of their average January 1 snowpack. Utah had 5-25 per cent. and Colorado, western Wyoming, western Montana and northern parts of Washington and Idaho only 25-40 per cent.

Reuter

Indian jute stocks fall

CALCUTTA, Jan. 17.

FIGURES released by the Indian Jute Mills Association show an appreciable drop of 13,700 tonnes in mill stocks at end-December.

Production during the month edged to 94,000 tonnes from 92,600 tonnes in November. Most of the output increase was in sacking, stocks of which fell nearly 11,000 tonnes to 49,000 tonnes.

Stocks of carpet backing have also declined. There has been encouraging offtake by overseas buyers since last November. Hessian stocks rose slightly due to overseas demand still remaining unsatisfactory.

STOCKPILE SELLS EXTRA TUNGSTEN

WASHINGTON, Jan. 17.

The General Services Administration said it sold 109,921 lbs of tungsten (W content) contained in about 6,930 short ton units of W03.

Of the total sold 41,723 lbs was for domestic use only and 68,198 lbs for export.

The GSA said this sale was a supplemental offering and the next regular monthly sale will be on January 25.

Reuter

STOCK EXCHANGE REPORT

Markets given an additional fillip by trade figures

Index up 10.5 at 374.4—Good gains in Properties

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
Jan. 4	Jan. 13	Jan. 14	Jan. 25
Jan. 17	Jan. 27	Jan. 28	Feb. 8
Jan. 31	Feb. 10	Feb. 11	Feb. 22

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

The [illegible] reduction in the December trade deficit gave stock markets an additional late boost yesterday. [illegible] was demonstrated by the Gilt-edged sector where hopes were high for a further reduction in Minimum Lending Rate later this week. Last Friday's announcement of the biggest-ever issue of Government stock [illegible] failed to dampen sentiment and prices pushed ahead strongly throughout the day despite some initial uncertainty at the longer end. Early gains were extended further by [illegible] the [illegible] announcement of the trade figures and final quotations recorded rises extending to [illegible] in the shorts and to [illegible] in the longs. The Government Securities index rose 0.45 to [illegible].

Despite [illegible] trade, the equity leaders followed gilts higher. [illegible] improvement in the former was reflected in the FT Ordinary index which extended a rise of [illegible] at 3 p.m. to 10.5 at the close of 374.4. Some selling was seen during the course of the day but this was easily absorbed.

Overall, the trend was firm and there were numerous gains in response to week-end Press comment, while bid situations prompted several noteworthy features. Rises led falls by 7—2 in FT-quoted Industrials. Properties were outstanding on hopes of a further early reduction in interest rates; the FT-Actuaries index for the sector gained 3.4 per cent. to 155.98 compared with a rise of 1.4 per cent. to 157.86 in the All-Share index.

Soon recovering from Friday's reaction, which was partly owing to news of the huge single issue of a Gilt-edged stock, longdated British Funds joined with shorter maturities in a fresh upsurge. Rises of a full point were common to both ends of the market before the announcement of the December trade figures: these exceeded the most optimistic expectations and so the upward movement in gilts edged prices continued, leaving gains among the shorts extending to 1[illegible] and improvements in the longs reaching to 1[illegible] although the latter ended [illegible] below the best. The short Exchequer 12[illegible] per cent., 1981, which made its debut only last Friday, closed at 98[illegible], or 2[illegible] premium on the issue price. Yield considerations remained the major attraction to buyers and the failure of the prospective tap issue to dampen enthusiasm augured well for Thursday's applications for the stock. Greenwell's latest [illegible] reinforced convictions that Minimum Lending Rate would soon fall. Corporations shared in the strength with advances of a full point in places.

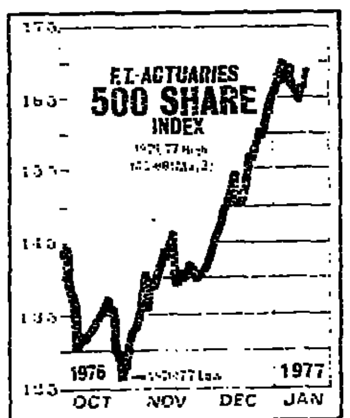
In reduced trading the investment currency premium drifted down to 115[illegible] per cent. before rallying to close a net [illegible] higher at [illegible] per cent. Yesterday's SE conversion factor was unaltered at 0.7028.

Cattles jump on bid

Home Banks closed at or very near the day's best after late flurry of interest following the better-than-expected trade figures. Barclays, 2[illegible], Lloyds, 250p, and Midland, 2[illegible], all closed with improvements of 10, while National Westminster closed 9 up at 240p. ANZ shed 7 to 290p following details of the proposed $A[illegible] rights issue. Buoyant gilts edged sentiment to push Discounts higher and Union closed 7 up at 340p ahead of to-morrow's preliminary results. The Hire Purchase sector had a busy day with interest stirred by a surprise bid by Provident Financial (a penny better at [illegible]) for Cattles Holdings which jumped 14 to 34p on the terms. U. C. Finance rose 6 to [illegible] in a thin market and Wagon Finance added 4 to 44p. CDF revived with an improvement of 2 to 37p and Lloyds and Scottish ended 3 up at 65p.

Insurances closed on a firm note with Royals 14 better at 310p after Press comment. Guardian Royal Exchange, 155p, and Phoenix, 206p, both gained 8 and Commercial Union were 6 better at 117p. Hambro Life rose 10 to 395p.

Business in Breweries picked up in the late trade and Allied, 64p xd, Bass Charrington, 95p, and Arthur Guinness, 128p, all closed with gains of 3. Elsewhere, Distillers were similarly better at



120p, while Arthur Bell edged forward 2 more to 162p.

Buildings made a firm showing. R. Costain improved 5 to 129p and Marley were 3[illegible] up at 49p xd. Econa moved up 5 to 31p following news that Walter Lawrence now hold around 10 per cent. of the company's capital, while speculative interest was directed at Aberdeen Construction, 3 better at 64p, and Federated Land, 4 higher at 17p. Feb International moved up 2[illegible] to 10p and Royco 1[illegible] to 17p, while Norwest Holst put on 3 to 60p.

Steadier at 354p in front of news of the trade figures, ICI improved afresh to close 10 better on the day at 357p. Elsewhere in Chemicals, Storey Bros. moved up 5 to 66p and Fisons 7 to 302p.

Reyrolle better

News that the Government is exerting pressure on the big power companies to agree on rationalisation schemes directed attention to Reyrolle Parsons, 8 better at 133p, and GEC, 4 higher at 174p. Thorn Electrical A improved 10 to 220p following Press comment on the interim report. EMI, a dull market of late on reports of declining US scanner orders, rallied 5 to 220p. Newman Industries rose 4 to 42p following news that Lonrho has acquired a near 20 per cent. shareholding in the company at a price of 50p per share ex dividend, while Comet Radiovision improved 3 to 37p in response to Press mention.

Stores were quiet and generally little changed, sentiment being dampened to an extent by the depressing retail sales figures for December. However, UDS finished 3 better at 61p, while Marks and Spencer, 98p, and Debenhams, 71p, put on 2 apiece. Courts (Furnishers) A finished 4 pence harder at 78p following the interim figures, while other firm spots included Lee Cooper, 6 higher at 60p.

Tubes were outstanding in the Engineering leaders with a rise of 12 at 328p. Smaller gains of around 6 were recorded in GKN, 290p, and Vickers, 160p. Elsewhere, news that British Aluminium are bidding for the outstanding minority shares in Aluminium Corporation left the latter 58 higher at 100p. British Aluminium held at 115p but the partly paid shares gained 10 to 30p. Despite the withdrawal of the offer from Berrybest, C. and W. Walker moved up 8 to 118p on hopes of a possible bid from another quarter. Kwikform responded to the increase in the first-half profits with a rise of 6 to 92p, while favourable week-end Press mention left Woodhouse and Rixson 4[illegible] higher at 42p. Dunford and Elliott Convertible Preference shares fell 2 to 15p p.m., the shares are to be officially quoted fully paid to-morrow.

Tate and Lyle figured prominently in firm Foods, rising 10 to 272p in front of Thursday's preliminary figures. Spillers hardened 2[illegible] to 32[illegible]p, while Associated Dairies, 207p, and J. Bibby, 105p, put on 4 and 6 respectively. Bejam responded to Press comment with a rise of 4 to 81p. In Supermarkets, Gateway Securities A featured in active trade and jumped 11 to 56p, which compares with the share-exchange offer worth 62p per share with Linfood 10 cheaper at 200p. Bishop's Stores A put on 3 to 68p in sympathy.

Epicure returned to popularity, rising 4 to 37p. Grand Metropolitan hardened 3 to 63p with the help of call-option business, while Reo. Stakis edged up a penny to 20[illegible]p on the increased earnings and Centre Hotels firmed 1[illegible] to 21[illegible]p on the interim figures.

Misc. leaders good

Already firm in sympathy with yesterday's further sharp rise in gilt-edged securities, the Miscellaneous Industrial leaders took a further turn for the better after-hours following the better-than-expected December trade figures. Closing levels in most cases were the day's best and Beecham ended 8 dearer at 388p and Glaxo 7 better at 410p, while Rank Organisation also put on 7 to 158p, ahead of tomorrow's results. Reed International firmed 6 to 200p and Scottish and Universal Investments added 3 more to 61p. Secondary issues also closed firmly, particularly those tipped in the week-end Press. AAH were prominent at 172p, up 10, while Cawoods and Manchester Ship Canal both improved 5 to 99p and 207p respectively. Campari rose 4[illegible] to 39p, while Restmor improved 6 to 63p on the doubled interim profits. Whitecroft put on 4 to 128p following the forecast higher dividend and profits made to contest the bid, currently worth 122p per share, from Hanson Trust. James Warren were wanted at 58p, up 7, and Whatman Reeve Angel added 5 more to 192p on renewed interest in a thin market.

Lucas Industries stood out in firm Motors with a rise of 13 to a 1976-77 peak of 225p. Dunlop moved up 3 to 84p, while Press comment helped Armstrong Equipment put on 2[illegible] to 47p and Henlys 3 to 83p. Heron Motor hardened 2[illegible] to a 1976-77 peak of 38[illegible]p in front of to-day's interim statement, while similar gains were seen in BSG International, 18[illegible]p, and Kwik-Fit, 53p. Lex Service closed 1[illegible] better at 39[illegible]p with the help of call-option business.

MKTS 01 AND 2

Of the few features in Paper/Printings, Bunzl Pulp rose 4 to 65p and Jefferson Smurfit 5 to 120p, the latter following the proposed reorganisation. Elsewhere, David S. Smith found support and gained 3 to 35p.

Burmah prominent

Burmah were bought on a sizeable scale encouraged by speculation about a pending statement, expected on Thursday, regarding its tanker interests and closed a further 4 higher at 52p, after 53p. British Petroleum were not quite as active but following renewed U.S. demand rose 24 to 814p, while Shell gained 8 to 478p, the latter still reflecting the benefits of the Royal Dutch dividend supplement agreement. Ultramar revived with a rise of 8 to 134p, but the more speculative North Sea-orientated issues were less in evidence than of late.

The lure of falling interest rates together with favourable week-end Press comment aroused considerable buying activity in Properties, which finished at the day's best. Land Securities rose 7 to 155p, and gains of 12 were made by Great Portland, 222p, and Hammerson A, 345p. Bernard Sunley jumped 10 to 110p, while United Real, 2[illegible], and Haslemere Estates, 182p, put on 8 apiece. Of those specifically recommended by newspapers, Berkeley Hambro advanced 8 to 70p, Chesterfield a like amount to 164p and Land and House 4 further to 75p. Continuing bid hopes raised Scottish Metropolitan 3 more to 81p, while notable gains appeared against English, 5 up at 41p, and Stock Conversion, 7 higher at 175p.

Lonrho featured Overseas Traders with a rise of 7 to 80p.

Up 18 last week on bid hopes, Common Bros. remained popular in active Shippings yesterday and gained 12 to a peak of 191p. P & O Deferred did well at 127p, up 5, and British and Commonwealth revived with a gain of 8 to 228p. Speculative demand lifted Reardon Smith 5 more to 185p and the A 2 to 77p.

A couple of pence harder at the house close, Courtaulds improved further in the late trade to finish 4 to the good at 99p in firm Textiles. David Dixon were wanted at 32p, up 6, while John Haggas improved 10 to 300p in a thin market. Dawson International, 52[illegible]p, and the A, 51[illegible]p, rose 1[illegible] and 2[illegible] respectively following favourable Press comment but Stirling Knitting cheapened a penny to 11p on the disappointing first-half profits.

More interest was shown in BATs Industries which performed erratically: after easing to 225p, the shares rallied to close 8 to the good at 272p, while the Deferred recovered from 220p to finish 7 up on balance at 230p. Imps improved 1[illegible] to 71p and Rothmans International hardened 2 to 55[illegible]p; sentiment in the latter was helped by Press comment. Alfred Dunhill revived with a gain of 12 to 227p.

Buyers were interested in selected Teas. McLeod Russel, 142p, and Moran, 125p, rose 8 and 6 respectively, while Lunuva hardened 3 to a peak of 72p. Rubbers were quieter but firmer for choice.

Tins up again

The recent strength of Tin shares continued for the third successive trading day following the further sharp rise in the metal price to record levels on the London Metal Exchange.

Turnover in Tins was brisk and prices advanced across a broad front. Although small late profit-taking pared gains marginally, prices in many cases closed at or around their 1976-77 highs.

The Cornish tin producers were again outstanding, with Geevor jumping 21 to a 1976-77 best of 325p ex-dividend. Saint Piran were 6 to the good after a peak of 76p.

Among the Malaysians, Malayan Tin put on [illegible] at 245p and Southern [illegible] gained a similar amount after touching a peak of [illegible].

South African Golds [illegible] generally firm [illegible] trading reflecting the [illegible] ness of the bullion price; the latter rallied [illegible] to close 75 cents up at [illegible] per ounce.

Falls in the heavyweights were generally [illegible] around [illegible] as in Randfontein and 10 in lower-priced [illegible] as President Steyn. [illegible] Gold Mines index was up [illegible] 111.3.

Kloof, 20 lower [illegible] a weak market in [illegible] lower working [illegible] December quarter. [illegible] general trend and in [illegible] strikingly good quarterly [illegible] result. Harmony closed [illegible] on balance at 276p, after [illegible].

The London-based [illegible] remained neglected, despite strength of U.K. Industrials, [illegible] fears of a possible [illegible] South African involvement in Rhodesia. In the overseas Financials, Rand Selection continued to attract [illegible] advanced 25 more to [illegible] 430p, for a two-day [illegible].

The easier tone in [illegible] home markets which [illegible] Federal Government's economic package [illegible] sentiment in Australians, [illegible] there was minimal.

FINANCIAL TIMES STOCK INDICES

[illegible]

HIGHS AND LOWS — **S.E. ACTIVITY**

[illegible]

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS ‡ GROUPS & SUB-SECTIONS	Mon. Jan. 17 1977 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT)	Est. P/E Ratio (Net)	Est. P/E Ratio (Gross)	Fri. Jan. 14 Index No.	Thurs. Jan. 13 Index No.	Wed. Jan. 12 Index No.	Tues. Jan. 11 Index No.	Year ago (approx.) Index No.	1976-77 High	1976-77 Low	Since Compilation High	Since Compilation Low
1 (1) CAPITAL GOODS (178)	139.70	-1.2	20.77	6.94	7.13	7.07	137.03	136.85	135.24	136.44	150.58	160.06	100.85	236.57	50.71
2 (2) Building Materials (31)	116.97	-1.2	21.46	8.40	7.02	7.01	115.57	115.32	113.41	114.77	147.54	150.18	85.58	235.34	44.27
3 (3) Contracting, Construction (22)	179.84	-2.3	24.65	6.07	6.26	6.26	175.77	177.10	175.59	179.79	264.78	260.20	122.08	329.55	71.48
4 (4) Electricals (16)	274.50	-2.1	15.18	5.26	9.15	7.95	268.81	270.00	265.66	265.35	265.66	287.30	190.54	350.04	84.71
5 (5) Engineering (Heavy) (12)	175.25	-1.0	27.99	7.50	5.15	5.08	173.50	171.23	169.59	171.90	170.68	195.18	125.56	202.57	64.39
6 (6) Engineering (General) (66)	127.62	-0.5	23.85	7.34	7.05	7.01	126.96	126.41	125.42	126.86	131.33	149.29	95.20	162.59	45.45
7 (7) Machine and Other Tools (10)	59.77	-0.7	16.55	7.45	9.02	9.00	59.36	59.00	57.59	57.85	52.52	60.62	45.29	136.70	19.96
8 (8) Miscellaneous (22)	118.55	-0.5	20.76	7.84	7.03	6.97	118.00	117.22	116.47	117.22	128.46	141.94	90.25	177.41	49.65
11 (9) CONSUMER GOODS (DURABLE) (53)	121.58	-1.3	20.61	5.89	7.27	7.26	120.06	119.12	117.21	117.79	127.06	141.46	85.12	227.76	38.59
12 (10) Lt. Electronics, Radio TV (15)	134.72	-1.3	18.82	4.37	7.91	7.90	133.00	131.45	129.69	130.10	145.23	160.35	87.51	257.41	42.85
13 (11) Household Goods (13)	127.39	-0.1	23.99	9.41	6.55	6.52	127.29	127.18	127.14	128.66	161.44	187.22	104.50	265.28	63.92
14 (12) Motors and Distributors (25)	80.74	+1.5	22.18	7.06	6.77	6.77	79.51	79.16	77.27	77.69	72.09	85.16	56.10	170.59	19.91
21 (13) CONSUMER GOODS (NON-DURABLE) (170)	138.49	+0.6	16.83	7.11	8.98	8.88	137.41	137.88	136.79	138.15	157.01	162.24	104.41	226.08	61.41
22 (14) Breweries (15)	150.43	-0.3	16.60	7.99	9.04	9.04	150.01	150.65	148.89	151.40	172.40	179.43	111.17	281.87	69.47
23 (15) Wines and Spirits (6)	158.68	-0.8	15.90	7.14	9.65	9.65	157.46	157.33	156.54	158.82	180.87	190.67	124.71	257.40	78.88
24 (16) Entertainment, Catering (15)	175.37	+0.4	15.37	7.66	9.92	9.84	174.59	177.73	174.62	176.55	198.01	211.26	127.11	329.99	54.83
25 (17) Food Manufacturing (21)	153.55	-0.4	19.02	6.02	7.95	7.80	152.89	152.56	151.53	153.18	165.73	179.44	120.54	211.65	59.67
26 (18) Food Retailing (17)	132.84	-0.3	15.56	6.13	9.39	9.29	132.49	132.95	131.15	133.59	145.60	150.05	92.79	235.08	54.25
32 (19) Newspapers, Publishing (16)	201.96	-0.1	13.08	5.31	11.59	11.59	201.82	201.84	201.08	203.96	173.51	208.13	148.46	260.29	55.08
33 (20) Packaging and Paper (12)	94.77	-0.8	19.16	8.51	8.00	8.00	94.05	92.25	92.08	92.78	109.02	112.50	72.54	135.69	43.46
34 (21) Stores (35)	111.42	-1.5	14.04	6.41	10.97	10.95	109.78	109.79	109.35	109.80	132.83	136.24	78.47	204.59	52.63
35 (22) Textiles (24)	126.68	-1.6	15.90	9.22	9.88	8.97	126.72	127.34	124.51	124.92	175.85	183.24	96.76	255.78	62.66
36 (23) Tobaccos (3)	207.35	-0.6	21.15	8.33	7.04	7.04	205.78	209.24	208.68	210.26	224.57	241.89	167.36	459.16	94.54
37 (24) Toys and Games (6)	78.49	-0.3	21.09	8.08	6.36	6.33	78.70	79.00	78.80	79.67	60.44	80.95	59.13	135.72	20.92
OTHER GROUPS (95)															
42 (25) Chemicals (26)	209.60	+0.9	15.77	5.52	8.68	8.68	207.71	206.29	204.26	204.65	208.94	251.38	155.10	251.38	71.20
44 (26) Office Equipment (8)	84.23	+2.5	14.69	6.27	9.85	9.85	82.19	82.69	81.14	81.56	94.21	100.18	58.53	246.06	45.34
45 (27) Shipping (11)	415.09	+2.4	12.96	6.39	11.10	10.10	405.40	407.58	405.76	406.17	389.17	432.64	308.48	517.00	90.80
46 (28) Miscellaneous (50)	144.95	-1.5	17.86	8.15	8.54	8.34	142.74	142.38	140.61	142.12	165.88	172.98	108.14	258.83	60.39
49 (29) INDUSTRIAL GROUP (496)	145.11	+1.1	17.77	6.79	8.31	8.24	143.58	145.53	142.08	143.19	158.44	168.58	107.52	230.17	59.01
51 (30) Oils (4)	442.26	+2.4	9.63	3.96	12.03	11.07	431.81	432.05	422.03	428.21	340.13	442.26	315.67	442.26	87.23
59 (31) 500 SHARE INDEX	168.79	+1.3	16.19	6.25	8.84	8.67	166.58	166.55	164.45	165.95	175.65	183.00	125.80	227.95	63.49
61 (32) FINANCIAL GROUP (100)	125.56	+2.4	—	6.27	—	—	132.59	122.37	120.24	122.14	146.39	155.46	87.19	241.41	55.88
62 (33) Banks (6)	160.68	+3.8	21.05	5.76	7.31	7.31	154.84	155.64	149.96	151.67	176.95	192.16	111.33	286.32	62.44
63 (34) Discount Houses (10)	167.64	-0.6	—	8.31	—	—	166.71	166.82	162.37	165.98	183.79	186.52	97.72	293.13	81.40
64 (35) Hire Purchase (5)	92.69	+7.4	8.50	7.50	26.27	25.27	86.30	85.50	84.89	85.22	120.36	132.10	55.25	433.74	38.83
65 (36) Insurance (Life) (10)	101.48	-0.3	—	7.45	—	—	101.15	101.65	101.50	104.34	127.73	129.46	73.11	194.46	44.88
66 (37) Insurance (Composite) (7)	100.10	-2.2	—	7.38	—	—	97.94	97.08	97.08	98.86	114.46	119.75	68.99	155.76	43.96
67 (38) Insurance Brokers (10)	227.30	+0.3	13.24	6.05	11.35	11.35	226.72	227.23	225.75	231.87	227.20	276.90	173.27	276.90	65.86
68 (39) Merchant Banks (15)	60.67	—	—	6.92	—	—	60.67	60.50	59.53	59.98	92.19	95.85	45.15	876.67	31.21
69 (40) Property (31)	155.98	+3.4	4.73	3.64	34.35	32.85	148.87	147.52	145.12	144.20	188.06	194.57	95.95	357.40	56.01
70 (41) Miscellaneous (6)	71.84	-1.6	18.74	12.00	8.12	8.12	72.55	72.42	72.47	74.10	84.27	91.98	55.37	303.18	33.29
71 (42) Investment Trust (50)	155.19	-0.5	3.47	4.97	39.76	29.76	155.62	156.33	156.39	159.46	181.37	184.35	115.09	245.79	71.83
81 (43) Mining Finance (4)	86.84	-0.4	12.19	5.83	10.41	10.18	87.20	87.55	86.60	87.56	113.34	119.77	77.55	175.90	66.31
91 (44) ALL-SHARE INDEX (671)	224.82	-1.6	15.35	5.51	9.28	9.30	221.27	221.71	219.03	218.88	234.05	254.47	178.31	254.47	97.37
99 (45) Overseas Traders (17)	157.86	-1.4	—	6.16	—	—	155.69	155.68	153.70	156.34	167.20	172.64	116.29	228.18	61.92

FIXED INTEREST	Monday Jan. 17 Index No.	Yield	Friday Jan. 14	Thurs. Jan. 13	Wed. Jan. 12	Tuesday Jan. 11	Monday Jan. 10	Friday Jan. 7	Thurs. Jan. 6	Year ago (approx.)	1976-77 High	1976-77 Low	Since Compilation High	Since Compilation Low
1 Consols 2½% yield	—	15.49	13.56	15.56	15.74	15.74	15.92	14.10	14.50	13.78	—	—	—	—
2 20-yr. Govt. Stocks (6)	49.38	15.18	48.98	49.36	48.72	48.93	48.98	47.81	47.01	50.89	56.45	42.51	115.42	38.27
3 20-yr. Red. Deb. & Loans (15)	49.45	14.95	49.15	48.95	48.87	48.87	48.49	47.52	47.04	50.48	52.40	43.09	113.43	37.01
4 Investment Trust Prefs. (15)	47.97	14.50	47.35	47.30	47.25	46.87	46.87	46.73	46.04	49.77	51.23	40.54	114.41	34.46
5 Coml. and Indl. Prefs. (20)	67.40	13.40	67.16	66.95	66.91	66.84	65.14	64.90	64.12	69.95	71.97	54.89	114.93	47.67

Section or Group	Base Date	Base Value
Overseas Traders	31-12-74	100.00
Engineering (Heavy)	31-12-71	153.84
Engineering (General)	31-12-71	153.84
Wines and Spirits	16-1-70	144.76
Toys and Games	16-1-70	135.72
Office Equipment	16-1-70	123.20
Industrial Group	31-12-70	128.30
Miscellaneous Financial	31-12-70	128.06
Food Manufacturing	29-12-67	114.13
Food Retailing	29/12/67	114.13
Insurance Brokers	29/12/67	96.67
Mining Finance	29-12-67	100.00
All Other	10-4-62	100.00

† Redemption yield. FT-Actuaries indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A record of the indices, cost £40, is obtainable from FT Business Enterprises, 10, Bolt Court, London, EC4. It gives all groups and sub-section indices at fortnightly intervals since the start of the series in 1962 with quarterly highs and lows. Dividend and earnings figures are also included.

‡ A new numbering system is introduced in the display. The numbering shown in parentheses on the left, will, after a few weeks, be dispensed with in favour of the staggered system shown on the extreme left.

* Corrected.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1976-77 high	1976-77 low
ICI	£1	17	357	+10	402	256
BATs Defd.	25p	14	230	+ 7	243	183
Burmah Oil	£1	13	52	+ 4	53	25
Shell Transport	25p	13	478	+ 8	478	352
BP	£1	12	814	+24	840	557
GEC	25p	10	174	+ 4	180	112
Lonrho	25p	10	80	+ 7	101½	47
P. & O. Defd.	£1	10	127	+ 5	129	87
Comm'l Union	25p	9	117	+ 6	155	75
Midland Bank	£1	9	285	+10	320	200
NatWest.	£1	9	240	+ 9	272	168
Rank Org.	25p	9	158	+ 7	195	98
Barclays Bank	£1	8	280	+10	350	190
English Prop.	50p	8	41	+ 5	76½	19½
Land Secs.	50p	8	155	+ 7	193	92

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Jan. 12	Jan. 24	Apr. 6	Apr. 20
Jan. 25	Feb. 7	Apr. 21	May 4
Feb. 8	Feb. 21	May 5	May 17

Calls were dealt in BP, Grand Metropolitan, Crest Nicholson, Burmah Oil, Town and City, Lamson Industries, Lonrho, Ladbroke Warrants, Tricentrol, Allied Breweries, Allied Investments, Thorn Electrical "A," Vantona, P & O Deferred and Lex Service. Puts were done in ICI, Thorn Electrical "A," Land Securities and Marks and Spencer, while doubles were arranged in Burmah Oil, Town and City, English Property, Lonrho, Ladbroke, Rank Organisation, Thorn Electrical "A," Ladbroke Warrants, ICI and Land Securities. Short-dated puts were done in ICI and Thorn Electrical "A," while doubles were arranged in Rank Organisation and Thorn Electrical "A."

Industrials							
A. Brew.	6½	Gen. Accident	17	"Mams"	7	Property	
A. P. Cement	18	Gen. Electric	17	Marks & Sp'ncer	10	Brit. Land	5½
BSR	10	Glaxo	56	Midland Bank	25	Cap. Counties	5
Babcock	9	Grand Met.	7	Nat'West Bank	22	E.P.	5
Barclays Bank	25	G.U.S. "A"	18	"Do" Warrants	9	Intereuropean	7
Berry Wiggins	5	Guardian	18	P & O Dfd.	12	Land Securities	14
Beecham	32	G.K.N.	25	Plessey	7	MEPC	7
Boots	12	Hawker Sidd.	40	R.H.M.	5	Peachey	6
Bowater	16	House of Fraser	8	Rank Org. "A"	18	Samuel Props.	4½
B.A.T.	21	I.C.I.	25	Reed Int'l.	20	Town & City	1½
BOC	6	"Imps"	7	Reyrolle	12	Oils	
Brown (J.)	10	I.C.L.	14	Spillers	4	Brit. Petroleum	60
Burton "A"	6	Inveresk	7	Tesco	4	Burmah Oil	8
Cadbury	5	Legal & General	12	Thorn "A"	22	Shell	20
Cavenham	10	Ladbroke	11	Trust Houses	13	Ultramar	14
Courtaulds	10	Lex Service	5	Tube Invest.	30	Mines	
Debenhams	8	Lloyds Bank	22	Unilever	40	Charter Cons.	16
Distillers	13	"Lofs"	5	Utd. Drapery	7½	Chart'hall Fin.	4
Dunlop	8½	London Brick	5	Vickers	15	Cons. Gold	15
Eagle Star	11	Lonrho	8	Woolworths	6	Rio T. Zinc	18
		Lucas Inds.	20				

NEW HIGHS AND LOWS FOR 1976/77

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1976-77.

NEW HIGHS (64)

BRITISH FUNDS (11)

Treas. [illegible] 77-80; Treas. [illegible] 1995; Exchq. 13pc 1980; Treas. [illegible] A; Exchq. [illegible]; Treas. [illegible]; Treas. [illegible] 1982; Treas. [illegible] A; Treas. 14pc 1982; War Loan [illegible]; Treas. 14 [illegible] 1994

CORPORATION LOANS (4)

G.L.C. [illegible] 1977; Lond. Cty. [illegible] 1975-77; Liverpool [illegible] 1980-84; L.C.C. [illegible]

COM'WEALTH & AFRICAN LOANS (2)

N.Z. 4pc 1976-[illegible]; N.Z. 6pc 1976-80

FOREIGN BONDS (1)

Hungary '24 Ass.

BANKS (1)

Cattle's Hldgs.

BEERS, ETC. (1)

Bell (Arthur)

ELECTRICALS (1)

Energy Services

ENGINEERING (7)

Aluminium Corp.; [illegible]; Braithwaite; Marrandge Bremer; Davy Internatl.; Newall; Dunford & Elliott

INDUSTRIALS (10)

A.A.H.; Portals; Campari; Restmor; Cawoods; Richards Sheffield; L.R.C. Internatl.; Whatman Reeve; Manch. Ship Canal; Whitecroft

MOTORS (7)

Armstrong Eqpt.; Zenith A; Henlys; Heron Motor; Kwik-Fit; Quick (H. & J.); Lucas Inds.

PROPERTY (2)

Chesterfield; Jermyn Inv.

SHIPPING (2)

British & C'wealth; Common Bros.

TRUSTS (5)

Caledonia Invs.; Edinburgh Industl.; Direct Spanish; Vavasseur Pref.; Lancs. & Lond. Inv.

OILS (2)

Ranger Oil; Shell Transport

OVERSEAS TRADERS (1)

Borthwick (Thos.)

RUBBERS (1)

Bertam Cons.

TEAS (1)

Lunuva

MINES (5)

Beralt Tin; St. Piran; Gopeng Consld.; Southern Kinta; Malay Dredging

NEW LOWS (4)

ENGINEERING (1)

T.C.K. Group

TRUSTS (1)

York Trust

MINES (2)

Rustenburg Plat.; BH South

RISES AND FALLS

	Up	Down	Same
British Funds	63	—	2
Corpns. Dominion and Foreign Bonds	36	2	21
Industrials	481	148	1,030
Financial and Prop.	173	77	301
Oils	15	5	16
Plantations	12	3	23
Mines	23	44	58
Recent Issues	1	5	7
Totals	801	284	1,456

BASE LENDING RATES

A.B.N. Bank; Allied Irish Banks Ltd.; American Express Bk.; Amro Bank; Anglo-Portuguese Bank; Henry Ansbacher; Banco de Bilbao; Bank of Credit & Cmce.; Bank of Cyprus; Bank of N.S.W.; Banque Belge Ltd.; Banque du Rhone S.A.; Barclays Bank; Barnett Christie Ltd.; Bear Securities; Bremar Holdings Ltd.; Brit. Bank of Mid. East; ■ Brown Shipley; Canada Permanent AFI; Capitol C & C Fin. Ltd.; Cayzer, Rowlett Co. Ltd.; Cedar Holdings; ■ Charterhouse Japhet; C. E. Coates; Consolidated Credits; Co-operative Bank; Corinthian Securities; Credit Lyonnais; G. R. Dawes; Duncan Lawrie; Eagil Trust; English Transcont.; First London Secs.; First Nat. Fin. Corp.; First Nat. Secs. Ltd.; Goode Durrant Trust; ■ Antony Gibbs; Greyhound Guaranty; Grindlays Bank; ■ Guinness Mahon; ■ Hambros Bank; ■ Hill Samuel; C. Hoare & Co.; Julian S. Hodge; Hongkong & Shanghai; Industrial Bank of Scot.; Keyser Ullmann; Knowsley & Co. Ltd.; Lloyds Bank; London & European; London Mercantile; Midland Bank; ■ Samuel Montagu; ■ Morgan Grenfell; National Westminster; Norwich General Trust; P. S. Refson & Co.; Rossminster Accepts.; Royal Bk. Canada Trust; Schlesinger Limited; E. S. Schwab; Security Trust Co. Ltd.; Shenley Trust; Standard Chartered; Trade Development Bank; Twentieth Century Bk.; United Bank of Kuwait; Whiteaway Laidlaw; Williams & Glyn's; Yorkshire Bank

[illegible]

MONEY MARKET

Interest rates easier

Bank of England Minimum Lending Rate 14 per cent.
(since January 7, 1977)

Short-term fixed period interest rates were slightly easier in the London money market yesterday, following the repayment of over £700m. of special deposits by the authorities. Interbank interest rates tended to decline, with the seven day rate finishing at around 14½ per cent., compared with 15 per cent. at the opening, and the one-month closing at 14⅝-14⅞ per cent., against 15-15¼ per cent. in the morning.

Discount houses buying rates for three-month Treasury bills were fairly steady, with the market waiting to see if there is any signal on interest rates from the authorities this week.

Day-to-day credit was in very short supply, and the authorities gave assistance by buying a large amount of Treasury bills from the discount houses and banks, and a large amount of local authority bills. The also lent an exceptionally large amount overnight to seven or eight houses, at Minimum Lending Rate. Banks carried forward surplus balances and the market was also helped by repayment of the special deposits. On the other hand there was a net market take-up of Treasury bills, a large excess of revenue payments to the Exchequer over Government disbursements, and repayment of official loans to the market.

Discount houses paid around 14 per cent. for secured call loans in the early part and closing balances were found at 12½-13½ per cent.

Rates in the table below are nominal in some cases.

Jan. 17 1977	Sterling Certificates of deposits	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposit	Company deposits	Discount market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	12.15	—	—	—	—	—	—	—	—
2 days notice	—	—	14⅞-15¼	—	—	14⅝	12½-14	—	—	—
7 days or 7 days notice	—	14½-15	15-15¼	—	—	—	—	—	—	—
One month	15-14¾	14⅝-15⅛	15	16⅛-16	15-15½	—	13⅞-14	—	—	—
Two months	14[illegible]-14[illegible]	14½-14⅞	—	15⅛-15	15-15[illegible]	—	14	13[illegible]	14[illegible]	15¼-15
Three months	14[illegible]-14[illegible]	14⅛-14½	14⅜-14½	14⅝-14½	14⅞-15¼	—	13½	13[illegible]	14[illegible]	15
Six months	13[illegible]-13[illegible]	13[illegible]-13[illegible]	14-14¼	14-13¾	14⅝-14⅞	—	13¾-13⅞	13[illegible]-13[illegible]	13[illegible]	15-14¾
Nine months	13[illegible]-15	13⅞-13⅝	—	14-13¾	14-14¼	—	—	—	12¾-12⅝	16-14¾
One year	13⅛-12[illegible]	13-13¼	14	[illegible]	14½	—	—	—	—	—
Two years	[illegible]	—	[illegible]	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. * Long-term local authority mortgage rates nominally three years [illegible] per cent.; four years [illegible] per cent.; five years [illegible] per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills [illegible] per cent.; four-month trade bills [illegible] per cent.

Approximate selling rate for one-month Treasury bills [illegible] per cent.; two-month [illegible] per cent.; and three-month [illegible] per cent. Approximate selling rate for one-month bank bills [illegible] per cent.; two-month [illegible] per cent.; and three-month [illegible] per cent.; one-month trade bills [illegible] per cent.; two-month [illegible] per cent.; and also three-month [illegible] per cent.

Finance House Base Rates (published by the Finance Houses Association) [illegible] per cent. from January 1, 1977. Clearing Bank Deposit Rates for small sums at seven days' notice [illegible] per cent. Clearing Bank Rates for lending [illegible] per cent. Treasury Bills: Average tender rates of discount [illegible] per cent.

CORAL INDEX: Close 377-3[illegible]

INSURANCE BASE RATES

† Property Growth [illegible]; Cannon Insurance [illegible]

† Address shown under Insurance and Property Bond Table.

AUTHORISED UNIT TRUSTS

Bishopsgate Progressive Mgmt. Co.

B'gate Pr.* Jan. 11	127.5	135.8xd	......	4.60
Acc. Units* Jan. 11	146.4	156.0	......	4.60
B'gat. Int. Jan. 4	136.4	146.0	......	3.46
Accm. Units Jan. 4	146.0	156.3	......	3.46

Next sub. day Jan. 18. *Jan. 25

Crescent Unit Tst. Mgrs. Ltd. (a)(g)

4 Melville Cres., Edinburgh 3. 031-226 4931

Crescent Growth	19.4	20.8	+0.2	4.59
Cres. Internat'l.	46.2	49.5	-0.1	3.12
Cres. High. Dist.	32.6	35.0	+0.4	9.26
Cres. Reserves	30.5	32.9	+0.1	4.25

REGIONAL MARKETS

A selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

						IRISH		
						Conv. 9% '80/82	£85¾	+¼
Albany Inv. 20p	18	......	Higsons Brew.	75	......	Alliance Gas	46	......
Ash Spinning	32	......	I.O.M. Stm. £1	138	......	Arnott	200	......
Bertam	18	......	Holt (Jos.) 25p	196	......	Carroll (P.J.)	120xd	+2
Bdg'wtr. Est. 50p	137	+2	Kleen-e-Ze	39	......	Clondalkin	34	......
Clover Croft	21	......	Lovell's Ship £1	180	......	Concrete Prods.	50	......
Craig & Rose £1	350	......	N'thn. Goldsmith	22	......	Heiton (Hldgs.)	23	......
Dyson (R.A.)	23	+5	Pearce (C.H.)	85	......	Ind. News	44xd	......
Ellis & McHdy.	59	......	Peel Mills	14	......	Ins. Corp.	148¼	......
Evans Fr'k. 10p.	25	......	RobbCaledon5h.	46	......	Irish Distillers	42	......
Fered	8	......	Sayers 12½p	17	......	Irish Ropes	96	......
Fife Forge	49	......	Sheffield Brick	72	......	Jacob	42	......
Finlay Pkg. 5p	16	......	Sheff. Refrshmt.	140	......	Sunbeam	13	......
Graig Ship. £1	295	......	Shiloh Spinn.	21	......	T.M.G.	81	......
Jan Sleigh 10p	18	......	Sindall (Wm.)	49	......	Unidare	46	......

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CANADIANS

1976/7 High	Low	Stock	£	+ or −	Div. Gross	Cvr	Yld Gr's
[illegible]	10⅝	Bk. Montreal $2	11⅝	−⅛	$1.00	—	5.2
[illegible]	14¼	Bk. Nova Scotia $1	16⅜	+¼	86c	—	3.0
[illegible]	33¼	Bell Canada $25	39¼	−¼	$2.72	—	5.6
[illegible]	12	Bow Valley	18⅞	+⅛	10c	—	0.3
[illegible]	780p	Brascan	940p	.....	10½	—	6.2
[illegible]	15½	Can. Imp. Bk. $2	20⅛	−⅛	$1.42	—	4.0
[illegible]	10⅛	Can. Pac. $5	13⅜	−⅛	60c	—	9.2
[illegible]	25⅛	Do. 4pc Deb £100	28½	.....	4%	—	14.0
[illegible]	17⅜	Gulf Oil Can.	20⅝	+½	$1.00	—	2.6
[illegible]	545p	Hawker Sid. Can.	375p	+5	36c	—	5.6
[illegible]	21	Hollinger $5	23¼	+¼	$1.20	—	4.5
[illegible]	10⅝	Hudson's Bay	12⅝	+½	60c	—	2.8
[illegible]	25⅜	Hud. B. Oil G. $2½	25¼	.....	Q152c	—	3.2
[illegible]	15	Imperial Oil	17¼	+⅛	85.4c	—	2.9
[illegible]	16½	Inco	27½	−½	$1.40	—	3.0
[illegible]	660p	Int. Nat. Gas $1	820p	+10	80c	—	5.7
[illegible]	16	Massey Ferg.	16⅞	.....	$1.00	—	3.5
[illegible]	20¼	Pacific Pet. $1	22⅝	+⅛	86.4c	—	2.3
[illegible]	24p	Place Gas $1	35½p	.....	—	—	—
[illegible]	21	Rio Algom	23½	.....	$1.00	—	2.5
[illegible]	19⅞	Royal Bk. Can. $2	20¾	.....	$2.76	—	4.0
[illegible]	16½	Seagram Co. C$1	19	−⅛	66.4c	—	2.7
[illegible]	13¾	Tor. Dom. Bk. $1	14⅞	−⅛	76c	—	3.0
[illegible]	820p	Trans Can. Pipe $1	10⅝	+⅛	95c	—	5.2

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[illegible]

EASTERN RAND

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MINES—Continued

FAR WEST RAND

1976/7 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
710	250	Blyvoor 25	315	−5	‡Q75c	1.6	‡
£14	440	Buffels R1	585	......	‡Q125c	1.6	‡
*140	68	Deelkraal R0.20	68	......	—	—	—
760	125	Doornfontein R1	190	−5	‡Q55c	2.2	‡
965	330	East Drie R1	535	−5	Q75c	ϕ	[illegible]
280	122	Elandsrand Gld. 20c	150	......	—	—	—
190	44	Elsburg R1	74	−1	Q9½c	ϕ	9.5
£16½	520	Hartebeest R1	837	−13	‡Q190c	1.3	‡
695	260	Kloof Gold R1	340	−20	‡Q47c	1.5	‡
760	140	Libanon R1	225	−5	‡Q80c	2.0	‡
740	230	Southvaal 50c	280	−5	Q6c	ϕ	1.6
245	92	Stilfontein 50c	130	......	Q22c	ϕ	12.2
£20¾	700	Vaal Reefs 50c	912	+12	Q110c	ϕ	8.7
420	48	Venterspost R1	98	−2	‡Q25c	3.6	12.4
£35	£11¼	W. Drie R1	£17¼	−¼	‡Q35c	1.5	‡
315	68	Western Areas R1	124	−4	‡Q15c	1.4	‡
£15¼	490	Western Deep R2	640	−10	Q90c	ϕ	10.2
290	100	Zandpan R1	150	−4	‡Q51½c	1.0	‡

O.F.S.

1976/7 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
170	60	Free State Dev. 50c	100	......	Q9c	0.6	6.5
£22½	715	F.S. Geduld 50c	962	......	Q200c	1.8	15.0
200	50	F.S. Saaiplaas R1	76	......	—	—	—
465	170	Harmony 50c	270	−10	‡Q65c	1.9	‡
195	38	Loraine R1	62	−1	Q6c	0.5	7.0
£18½	600	Pres. Brand 50c	850	−12	Q170c	2.0	14.5
£13	395	Pres. Steyn 50c	610	−10	Q45c	5.9	5.3
£23⅛	750	St. Helena R1	£11	......	Q170c	2.1	11.2
174	70	Unisel	124	−1	—	—	—
330	125	Welkom 50c	145	......	Q15c	3.7	7.5
£25½	950	W. Holdings 50c	£13¾	−½	Q310c	1.3	16.3

FINANCE

1976/7 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
536	315	Ang. Am. Coal 50c	425	......	MQ36c	2.8	6.5
375	185	Ang. Amer. 10c	227	−3	Q33c	1.9	10.5
£28¾	£10½	Ang. Am. Gold R1	£13¾	......	‡Q260c	1.3	‡
£13¾	775	Ang-Vaal 50c	775	......	Q105c	3.3	9.8
199	101	Charter Cons.	132	......	†6.76	2.4	7.9
220	113	Cons. Gold Fields	152	−1	7.37	2.1	7.5
23½	13	East Rand Con. 10p	16½	+½	1.0	2.2	9.3
330	150	Geduld Inv. R1	240ɛ	......	Q40c	1.5	12.1
£25	£12¾	Gen. Mining R2	£12¾	−¼	Q210c	2.1	11.9
£20⅝	10	Gold Fields S.A. 25c	£10½	−¼	Q155c	1.2	10.7
£24	£11½	Jo'burg Cons. R2	£13½xd	......	Q170c	2.2	9.1
380	195	Middle Wit 25c	200	......	‡Q35c	1.2	‡
250	154	Minorco SBD1.40	178	......	Q2c	0.7	0.7
160	56	New Wit 50c	90	......	Q18c	1.0	14.5
£14⅝	770	Patino NV Fls.5	£11½	......	QC65c	0.8	3.6
450	310	Rand Selection 50c	445	+25	Q65c	1.4	10.6
543	355	Selection Trust	450	......	15.2	1.5	5.2
230	98	Sentrust 10c	130	......	‡Q30c	1.4	‡
66	29½	Silvermines 2½p	36	......	3.0	1.6	12.8
£12½	700	Tvaal. Cons. Ld. R1	£10¼	......	Q75c	2.4	5.5
310	110	U.C. Invest R1	135	−5	‡Q36c	1.0	‡
465	175	Union Corpn. 6.25c	195	−5	†Q36c	1.4	13.4
90	45	Vogels 25c	80	......	†Q6½c	1.2	5.9

DIAMOND AND PLATINUM

1976/7 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£32½	£17½	Anglo-Am. Inv. 50c	£20½	......	†Q244c	1.6	8.6
122	66	Bishopsgate Plt. 10c	71	......	†Q8c	ϕ	8.2
335	182	De Beers Df. 5c	205	......	Q28c	2.2	9.9
£14	850	Do. 40pc Pf. R5	900	......	Q200c	128.0	16.1
128	66	Lydenburg 12½c	66	......	Q7.2c	ϕ	7.9
123	86	Rus. Plat. 10c	86	−2	Q10c	3.2	8.4

CENTRAL AFRICAN

1976/7 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
165	40	Coronation 25c	42	−2	Q5c	ϕ	8.6
130	68	Falcon Rh. 50c	87	−3	Q35c	1.7	35.4
25	9	Rhod'n Corp. 16⅔p	12	......	0.56	6.0	7.2
195	120	Roan Cons. K4	155	−5	—	—	—
178	140	Tanganyika 50p	160	+2	Q10.0	0.8	6.2
70	65	Do. Pref. 80p	70	......	Q9	10.2	10.3
54	25	Wankie Col. Rh.1	32	......	Q7½c	1.5	22.9
46	14	Zam. Cpr. SBD0.24	19½	......	—	—	—

AUSTRALIAN

1976/7 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
33	17	Acmex 25c	18	......	—	—	—
165	96	Bougainville 50 Toea	117	−2	Q10c	ϕ	5.4
*225	92	BH South 50c	92	−2	—	—	—
75	3	G.M. Kalgoorlie $1	20	......	—	—	—
106	58	Hampton Areas 5p	78	−2	1.3	5.0	2.6
86	27	Metals Ex. 50c	31	−2	—	—	—
24	12	Metramar 30c	19	......	—	—	—
294	184	M.I.M. Hldgs. 50c	224	−2	Q4½c	1.8	1.2
105	25	Mount Lyell 25c	30	......	—	—	—
3	2	Newmetal 10c	2	......	—	—	—
113	69	North B. Hill 50c	99	−2	Q9c	1.3	5.6
9	5	Nth. Kalgurli	7	......	—	—	—
112	65	Oakbridge $A1	94	......	Q9c	1.5	6.0
36	14	Pacific Copper 25c	22	−2	—	—	—
£19½	675	Pancont'l 25c	725	−25	—	—	—
17	9	Paringa Mn'g. 5p	10	+½	—	—	—
492	310	Peko-Wallsend 50c	400	−5	Q15c	ϕ	2.3
300	60	Poseidon 20c	75ɛ	......	—	—	—
13	6	Vultan Min. 50c	9	......	—	—	—
9	4	Westmex 10c	5	......	—	—	—
*199	127	Westn. Mining 50c	142	−1	Q5c	1.3	2.2
105	36	Whim Creek 20c	95	......	—	—	—

TINS

1976/7 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
45	28	Amal. Nigeria	37	+1	0.93	0.9	3.9
372	160	Ayer Hitam SM1	370	......	23.0	1.4	9.6
33	17	Beralt Tin	33	+1	24.0	2.8	16.6
415	315	Berjuntai SM25	395	......	†Q30.5	ϕ	9.4
325	155	Geevor	325xd	−2½	26.5	—	3.1
14	6	Gold & Base 12½p	9	−1	—	—	—
252	170	Gopeng Cons.	252	+2	†11.0	1.3	6.7
80	64	Hongkong	77	......	—	—	—
70	56	Idris 10p	67	......	7.15	1.5	17.2
7½	6	Jantar 12½p	7	......	—	—	—
42	31	Kamunting 15p	36	......	‡7.0	1.2	‡
300	135	Killinghall	300	......	Q50.0	ϕ	16.7
245	168	Malay Dredging	245	+3	11.0	1.1	6.9
38	20	♦Pahang	27ɛ	......	Q2.5	0.5	9.2
55	40	Pengkalen 10p	52	......	‡7.0	1.5	‡
140	104	Petaling SM1	140	......	Q12½c	—	2.2
90	19	Saint Piran	88	+6	†1.25	2.5	2.2
105	64	South Kinta 10p	100	+2	7.5	0.6	11.5
207	105	Sthn. Malayan	203	+3	11.6	1.1	8.9
60	31	Sungei Besi SM1	60	......	—	—	—
45	29	Supreme Corp. SM1	45	......	ZQ10	—	5.5
52	40	Tanjong 15p	52	......	4.64	0.9	13.7
52	40	Tongkah Hrbr. SM1	50	......	Q[illegible]	0.3	8.4
110	58	Tronoh SM1	105	......	†4.29	2.0	6.2

COPPER

1976/7 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
85	35	Botswana RST R2	43	......	—	—	—
335	136	Messina R0.50	158	+8	Q45c	2.8	20.6

MISCELLANEOUS

1976/7 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
10	8	Burma Mines 17½p	9	......	0.1	ϕ	1.8
35½	15½	Charterhall 5p	23½	−1½	—	—	—
90	28	Colby Mines $C1	63	......	—	—	—
990	540	Cons. Murch. 10c	550	......	Q140c	ϕ	18.4
443	245	Northgate C$1	390	+20	—	—	—
239	152	R.T.Z.	179	−1	g5.96	2.1	5.1
112	55	Sabina Inds. C$1	67	......	—	—	—
£15⅞	£10	Tara Exptn. $1	£12 7/16	−⅛	—	—	—
45	32½	Tehidy Minerals 10p	42	+2	t1.19	2.2	4.4
145	84	Yukon Cons. C$1	128	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures: they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution: bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ▲ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ɛ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ‡ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1976-77. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

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